

# *Village of Palmetto Bay, Florida*

“Village of Parks”



Annual Comprehensive Financial Report  
For The Fiscal Year Ended September 30, 2025

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Prepared by

The Village of Palmetto Bay Finance Department

# VILLAGE OF PALMETTO BAY, FLORIDA

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## **INTRODUCTORY SECTION**

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March 27, 2026

To the Citizens of the Village of Palmetto Bay, Florida  
And other interested parties:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* by a firm of licensed certified public accountants. Additionally, the Village's charter requires an annual independent audit of the books of accounts, financial records, and transactions of all departments of the Village by independent certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (Annual Report) of the Village of Palmetto Bay for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the Village of Palmetto Bay. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Village of Palmetto Bay's financial statements in conformity with GAAP. The Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by CBIZ CPAs P.C., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the Village's financial statements for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering unmodified opinions that the Village of Palmetto Bay's financial statements for the fiscal year ended September 30, 2025, is fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village of Palmetto Bay's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Village of Palmetto Bay is the 33<sup>rd</sup> incorporated municipality in Miami-Dade County. Its borders are SW 136<sup>th</sup> street to the north, US 1 to the west, Biscayne Bay to the east, and SW 184<sup>th</sup> street to the south. The Village is approximately eight square miles, comprised primarily of residential properties, and its business district is concentrated along the US 1 corridor.

The Village of Palmetto Bay was incorporated in 2002 and operates under the Council/Manager form of government. The Village Council is comprised of the Mayor, Vice-Mayor, and three Council Members elected village wide. The Mayor and Council Members term is for four years, as of November 2012, the length of service was extended to three terms, but no person may serve more than two terms in any one position. The Village Council is responsible for enacting laws (resolutions, ordinances, and regulations) governing the Village, as well as appointing the members of various advisory committees, and hiring the Village Manager, Village Clerk and Village Attorney. The Village Manager is responsible for enforcement of all laws, provisions of the Charter and directives of the Council, appointment of department heads with Council approval, and oversight of the operations of the Village.

The Village operates with a small, highly qualified core staff, and outsources several major functions including police protection, public works construction, and building inspections. The Village maintains a close working relationship with Miami-Dade County for such services as refuse collection, debris cleanup, fire protection, and libraries. The Village also works closely with all public and private schools serving Village residents.

The Mayor and Council Members are also the Board of Directors for the Palmetto Bay Foundation, Inc. The purpose of the Foundation is to raise the educational and quality of life concerns of the residents of the Village of Palmetto Bay, and to foster and promote community wide interest and concern for the history and preservation of the Village of Palmetto Bay. The Foundation is presented as a blended component unit in the financial statements as the Village has operational responsibility for the Foundation.

The annual budget serves as the foundation for the Village of Palmetto Bay's financial planning and control. All departments of the Village are required to submit proposed budgets to the Village Manager, who then makes any necessary revisions. The Village Manager then presents to the Village Council for their review, a budget estimate of the revenues and expenditures of all the Village's departments. Two public hearings are conducted, to inform the taxpayers of the proposed budget and to receive their comments. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1 by the passage of an ordinance. Only the General Fund budget appropriations are legally adopted. The Special Revenue Fund Budget and Capital Projects Fund Budgets are presented only as a recommendation for expenditures, as the use of these funds are legally restricted by Florida Statute, third parties or Village ordinances. The legal level of budgetary control is at the fund level. The Village Manager may amend the adopted budget for adjustments between departments administratively, but the Village Council must approve all budget adjustments between funds. Supplemental appropriations for expenditures in excess of the adopted budget may be appropriated by the Council by way of an ordinance. Budget-to-actual comparisons are provided in this report for the general fund, the only fund for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village of Palmetto Bay operates.

### **Local Economy**

The Village of Palmetto Bay is a medium-sized municipality serving approximately 24,000 citizens. Most of the Village's ad-valorem taxes are derived from its residential properties with an average taxable value for fiscal year 2025 of \$436,190 which is a 9.72% increase from prior year. The average County residential taxable value is \$364,579. Total property values for the Village increased by 9.5%. The foundation of Palmetto Bay is its low-density residential development that serves as housing for employment centers north of the Village. Commercial and office uses are primarily oriented towards the U.S. 1 corridor and consists of ten major auto dealerships, several large-box retailers, retail shopping plazas, and multiple office buildings. Two other concentrations of commercial uses are in the eastern portion of the Village and include retail service uses and a class A office park development. The latest US Census classifies the Village residents as middle to upper-middle class. The Village residents support the local businesses which results in a stable local economy.

### **Long-Term Financial Planning and Major Initiatives**

The Village has approved a zoning district encompassing 330 acres known as the Downtown Palmetto Bay Zoning District. The mixed-use district includes commercial, office and residential uses. In 2014, Miami Dade County completed a water and sewer infrastructure expansion project along the U.S 1 corridor which sets the necessary infrastructure to attract development to the area. In 2018, the Village Council approved the new Downtown Code. The new Downtown Code considers the desired Village Scale development of the residents, and the market trends of development while allowing a well-planned approach to mixed use environments. To accomplish this the Village has commissioned a market analysis of the area to recommend an economic development strategic plan so that the Village is the premier community to live, work, learn and play. In summary the new code will allow up to 5-story mixed-use buildings within the Island Sector in the Downtown District and a step-down approach in height and scale towards the residential areas of the Village. The goal of the Downtown District is to shift the tax burden from residential properties to commercial. Prior to the Downtown District 81.81% of the property taxes were paid by residential properties, and 18.19% by commercial. Currently residential properties contribute 78% and commercials now contribute 22%. There are various residential and commercial projects in various stages of review to be completed over the next two to three years. The goal is to achieve a 75/25 residential/commercial/ property tax contribution.

### **Financial Policies**

The Village of Palmetto Bay has adopted and enacted financial policies when taken as a whole serves the purpose of timely informing management and the citizens of the financial position of the Village, while safeguarding Village assets and appropriating resources to provide the high level of services the citizens expect.

The Village has adopted Florida Statutes 218.415 for its investment policy. The Village Charter mandates the budget and debt policy. The council enacted the procurement policy. Village Administration implemented the revenue and capitalization policies.

## **Pension Benefits**

The Village of Palmetto Bay maintains a defined contribution pension plan with Missionsquare Retirement for its full-time employees, created in accordance with Internal Revenue Code Section 401(a). The Village automatically contributes 6% of compensation for all full-time employees. In addition, each employee is allowed to contribute up to 6% of their compensation with an equal match from the Village. The Village also sponsors a 457 deferred compensation plan, of which participation is voluntary.

## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palmetto Bay for its Annual Report for the fiscal year ended September 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for 2025.

The preparation of the Annual Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also wish to recognize the assistance provided by the firm CBIZ CPAs P.C..

In closing, the Mayor, Vice-Mayor, and the Village Council must be credited for their leadership, and for maintaining the highest standards of professionalism in the management of the Village's finances.

Sincerely,



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Nicholas Marano, Village Manager



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Desmond Chin, Finance Director

# **VILLAGE OF PALMETTO BAY, FLORIDA**

## **ELECTED AND APPOINTED OFFICIALS**

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### **VILLAGE COUNCIL**

Mayor	Karyn Cunningham
Vice Mayor	Mark Merwitzer
Council Member	Patrick Fiore
Council Member	Steve Cody
Council Member	Marsha Matson

### **VILLAGE MANAGER**

Nicholas Marano

### **VILLAGE ATTORNEY**

John Quick

### **VILLAGE CLERK**

Missel Arocha

### **FINANCE DIRECTOR**

Desmond Chin, CPA

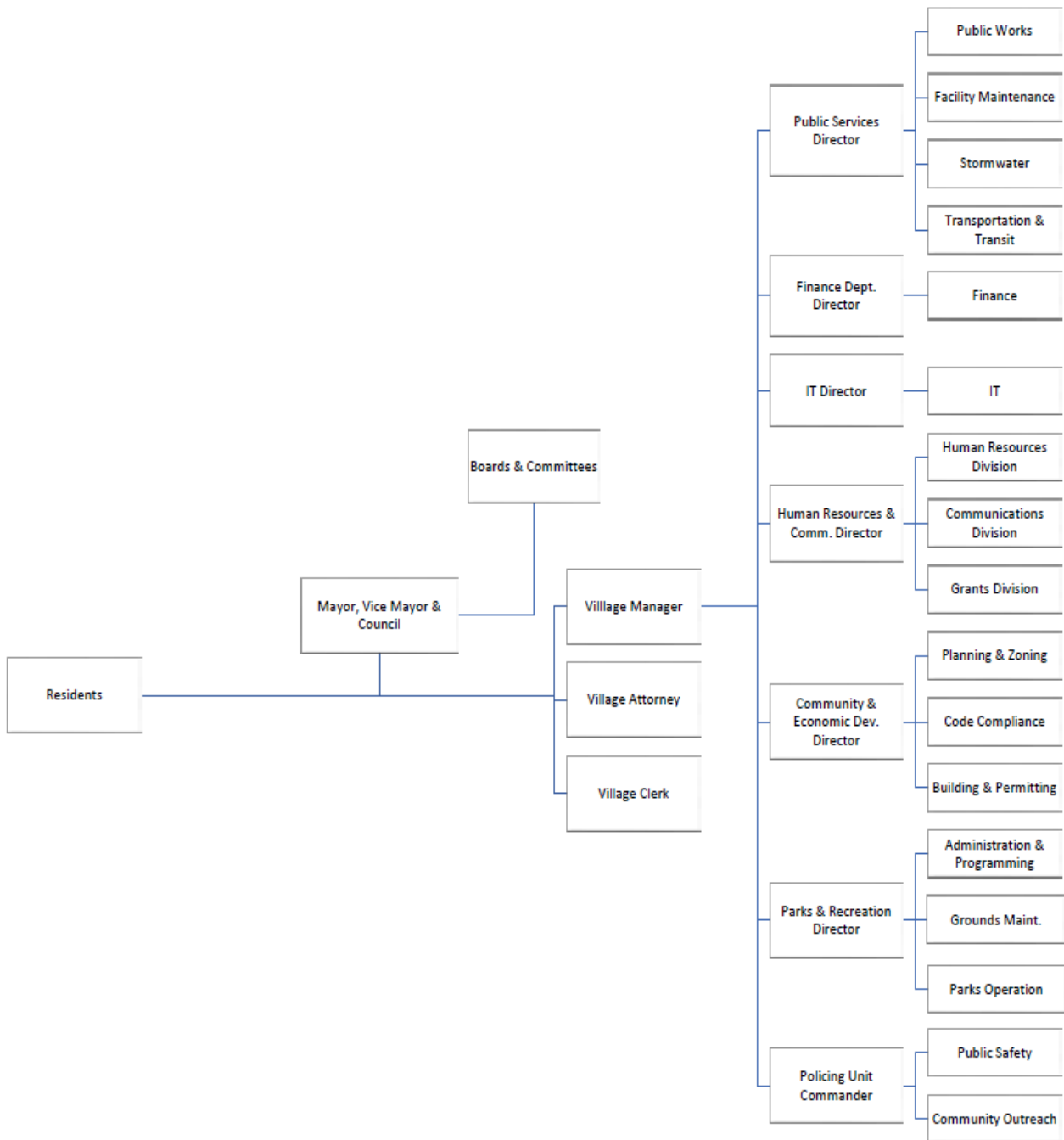
### **VILLAGE AUDITORS**

CBIZ CPAs P.C.

# VILLAGE OF PALMETTO BAY, FLORIDA

## ORGANIZATIONAL CHART

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Palmetto Bay  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

To the Honorable Mayor, Village Council, and Village Manager  
**Village of Palmetto Bay, Florida**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Palmetto Bay, Florida (the "Village"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2025, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Budgetary Comparison Schedule – General Fund and related notes, and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages 47 through 49, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining financial statements as listed in the table of contents and the schedule of expenditures of state financial assistance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

***CBIZ CPAs P.C.***

Miami, Florida  
March 27, 2026

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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## Management's Discussion and Analysis

As management of the Village of Palmetto Bay, Florida (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2025.

### Financial Highlights

- The assets plus deferred outflows of the Village exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by \$87,906,958 (net position). Of this amount, \$22,015,734 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors. The balance, \$65,891,224, is comprised of net investment in capital assets of \$57,516,950 and restricted net position of \$8,374,274.
- The Village's net position of governmental activities increased by \$3,834,700. This increase is attributable to changes in the Village's only fund category, the Governmental funds. Detailed changes will be explained later under Governmental Activities.
- As of the close of the current fiscal year, the Village's Governmental funds reported combined ended fund balances of \$31,214,107, a decrease of \$1,109,054 in comparison with the prior year. Approximately 47% of year end fund balance or \$14,723,654 is from the General Fund. The General Fund balance has \$4,700,000 in Assigned and \$9,330,474 in Unassigned.
- The General Fund unassigned fund balance of \$9,330,474, is approximately 43.35% of total General Fund expenditure.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner like a private sector business.

The statement of net position presents information on all the Village's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government, economic development, public safety, public works, and parks & recreation. The Village has a blended component unit described in Note 1 and no business-type activities. The government-wide financial statements

include the Village itself (known as the *primary government*) and the Palmetto Bay Foundation, Inc. (*a component unit of the Village*) and can be found on pages 14 and 15 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village has one fund category: Governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three Governmental fund types: General Fund, Special Revenue Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances is made up of the General Fund, Special Revenue Funds, a Capital Projects Fund and Non-Major Funds. The Special Revenue Funds encompasses the Transportation Fund, Grants Fund and Building Fund. The Non-Major Governmental Funds combining statements consists of; four Special Revenue Funds which are Stormwater Fund, Law Enforcement Trust Fund, False Alarm Fund, Art in Public Places Fund, and the Palmetto Bay Foundation (the "*Foundation*"). A description of the Foundation is found in the notes to the financial statements on page 21, and the combining financial statements can be found on pages 50 and 51.

The only budget the Village adopts an annual appropriation for is for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget on pages 47 and 48.

The basic governmental fund financial statements can be found on pages 16 to 19 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 to 46 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the Village's case, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$87,906,958 at the close of the most recent fiscal year.

The largest portion of the Village’s net position, \$57,516,950 or approximately 65%, reflects its net investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt and deferred inflows/outflows used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The debt related to these assets amounts to \$9,759,030, and it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village’s net position is restricted, which represents resources that are subject to external restrictions on how they may be used. These resources have been set aside for capital projects, debt service payments and other contractual obligations. The Village’s restricted net position as of the end of fiscal year 2025 had a balance of \$8,374,274.

The remaining balance of net position (unrestricted), \$22,015,734, may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village can report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

### Summary of Net Position

	September 30,	
	2025	2024
Current Assets	\$ 34,935,565	\$ 38,494,405
Capital Assets, net	67,275,980	62,986,741
Total Assets	102,211,545	101,481,146
Deferred Outflows of Resources	46,484	50,804
Current and other liabilities	3,003,359	5,801,571
Long-term liabilities	10,003,222	10,163,972
Total Liabilities	13,006,581	15,965,543
Deferred Inflows of Resources	1,344,490	1,608,960
Net Position:		
Net Investment in Capital Assets	57,516,950	52,529,176
Restricted for:		
Public transportation operations and maintenance	4,816,527	4,477,965
Charitable and Educational Projects	4,610	5,318
Police equipment and training	11,021	8,275
Impact Fees	2,422,486	2,395,978
Grants	342,097	378,889
Building	777,533	398,017
Unrestricted	22,015,734	23,878,640
Total Net Position	\$ 87,906,958	\$ 84,072,258

**Governmental Activities.** The Village’s Governmental Activities net position increased by a total of \$3,834,700 during the current fiscal year. Current Assets decreased \$3,558,840 compared to the prior year, mainly due to the purchase or construction of Capital Assets. Capital Assets increased \$4,289,239 mainly due infrastructure improvements in the amount of \$3,738,687 for stormwater and roadway improvements. Deferred Outflows decreased \$4,320 because of the amortization of the Loss on Refunding. Liabilities decreased \$2,958,962 mainly due to Current and Other Liabilities decreasing \$2,798,212 due to end of year vendor payables decreasing \$1,700,114 from prior year.

### Summary of Changes in Net Position

	Fiscal Year	
	2025	2024
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,259,625	\$ 5,521,797
Operating Grants and Contributions	1,082,745	337,418
Capital Grants and Contributions	2,309,568	6,389,370
General Revenues:		
Property Taxes	10,435,205	9,556,131
Utility Taxes	3,534,080	3,397,680
Communication Service Tax	862,288	855,658
Franchise Fees	2,205,089	2,151,439
Intergovernmental Revenues	5,505,202	5,448,726
Investment Income	929,326	1,238,992
Impact Fees	385,908	302,778
Miscellaneous	432,437	280,401
Total Revenues	32,941,473	35,480,390
Expenses:		
General Government	7,100,716	6,085,738
Building Permitting	2,007,904	2,191,546
Public Safety	10,578,560	10,548,979
Public Assistance	383,477	248,811
Public Works	4,064,527	3,882,949
Parks and Recreation	4,632,911	4,670,872
Interest on long-term debt	338,678	366,761
Total Expenses	29,106,773	27,995,657
Change in Net Position	3,834,700	7,484,733
Net Position, Beginning	84,072,258	76,587,525
Net Position, Ending	\$ 87,906,958	\$ 84,072,258

**Revenues:**

Total revenues decreased \$2,538,917 from fiscal year 2024 revenues to a total of \$32,941,473 for fiscal year 2025. The major components are as follows:

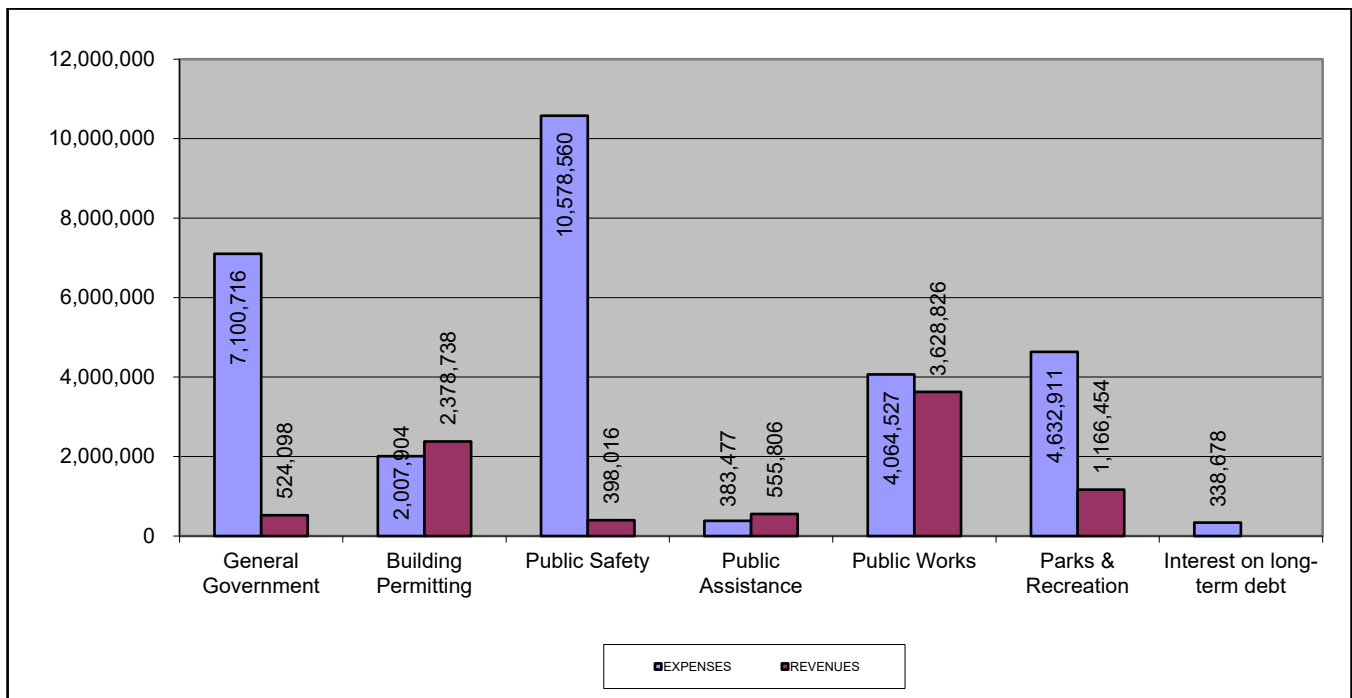
- Taxes of \$14,831,573 comprised 45% of total revenues in the current fiscal year. Most of this category is property taxes of \$10,435,205. Property assessed values increased 9.5%. The Village held the millage rate the same at \$2.35 per \$1,000 of assessed taxable value for fiscal year 2025 which resulted in an increase in collections of \$879,074. In total, taxes increased \$1,022,104 mainly from Property taxes.
- Grants and Contributions were \$3,392,313 or 10% of total revenues. A decrease of \$3,334,475 from prior year is mainly due to the donation of park land in the prior year.
- Charges for services totaled \$5,259,625 or 16% of total revenues. There was a decrease of \$262,172 mainly due to Building Permitting services as a result of fluctuations in development projects.
- Franchise fees increased \$53,650 due to Florida Power and Light (FPL) fee increases.
- Investment income decreased \$309,666 mainly due to lower interest rates.

**Expenses:**

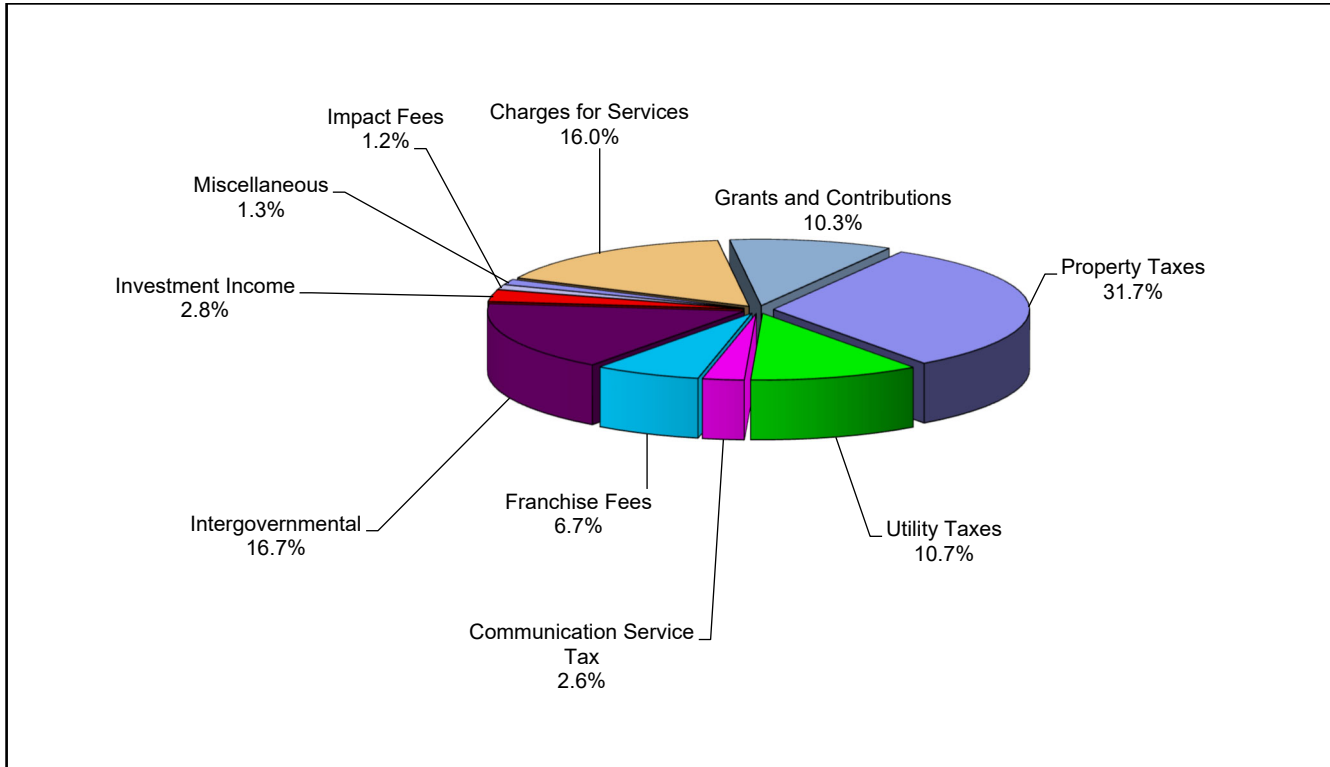
- Village expenses increased a total of \$1,111,116 from fiscal year 2024. The increase is mainly due to General Government \$1,014,978.

The increase in General Government is mainly due to personnel \$283,805 and insurance and other operating \$505,208. Public Works increased \$181,578 is mainly due to personnel.

**Expenses and Program Revenues – Governmental Activities**



## Revenues by Source – Governmental Activities



**Financial Analysis of the Government's Funds** As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$31,214,107, a decrease of \$1,109,054. Approximately 30% of the ending fund balance or \$9,330,474 constitutes unassigned fund balance, which is available for spending at the Village's discretion.

**The General Fund** is the chief operating fund of the Village. At the end of the current fiscal year fund balance of the general fund was \$14,723,654, of which \$9,330,474 is unassigned and \$4,700,000 is assigned. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 43% of total general fund expenditures, while total fund balance represents 68% of that same amount. The General Fund had a Net Change in Fund Balance of \$1,223,179. The Net Change in Fund Balance was mainly the result of an excess of revenues over expenditures in the amount of \$1,423,179 before a transfer of \$200,000 to Transportation fund. The excess revenue was mainly from Property Taxes.

**The Capital Projects Fund** is used to account for Village funded capital projects. The decrease in fund balance of \$2,987,777 is mainly due to the substantial completion of the new recreation center at Coral Reef park. The ending fund balance is \$7,578,687.

**Special Revenue Funds** are used to account for restricted monies received for a specific purpose. The Village has the following Special Revenue Funds:

**The Transportation Fund** is used to account for the various fuel and transportation taxes that are restricted to the maintenance and improvement of the Village's roadways and Transit. The increase in the ending fund balance of \$560,094 is mainly due to a \$200,000 transfer from General Fund and a loan payment of \$146,909 that ended in FY2024. The ending fund balance is \$3,527,909.

**The Grants Fund** is used to account for and track the expenditures of the approximately 10 grants and impact fees. The decrease in fund balance of (\$10,284) is mainly due to the expenditure of Public Safety impact fees for new equipment. The ending fund balance is \$2,764,583.

**The Building Fund** is used to account for permit receipts and expenditures according to Florida Statute 553.80. The Building fund balance increased \$379,516. The increase is a result of permits fees for mixed use and retail projects along our commercial corridor. The ending fund balance is \$777,533.

**Non-Major Governmental Funds** is the combination of four Special Revenue Funds which are Stormwater, Law Enforcement Trust Fund, False Alarm Fund and Art in Public Places Fund, and the Palmetto Bay Foundation, which is a component unit. In total, Non-Major fund balance decreased \$273,782. The more significant funds are discussed below:

**The Stormwater Management Fund** is used to account for assessments related to stormwater mitigation. The assessment revenue is committed for drainage projects in accordance with Village ordinance. The Stormwater fund balance decreased \$221,532, due to grant funded projects requiring matching funds. The ending fund balance is \$1,288,618.

**Art in Public Places** is used to account for fees imposed on new construction to promote art in the Village. The fund balance decreased \$31,926 due to the installation of a new art piece. The ending fund balance is \$489,330.

**False Alarm Fund** is used to account for the registration and false alarm fines. The fund balance decreased \$22,362 as operating costs increased. The ending fund balance is \$48,162.

### **General Fund Budgetary Highlights**

The total budgetary operating surplus of \$1,423,179 resulted from a surplus of \$712,012 in revenues and an under spending of expenditure by \$711,167. The net change in Fund Balance was an increase of \$1,223,179 after a transfer to Transportation Fund in the amount of \$200,000. The most significant variances are:

#### **REVENUES:**

- Property Taxes – positive variance of \$150,005 due to property assessments increasing 9.5%.
- Licenses and Permits – positive variance of \$194,948 due to new development planning review.
- Miscellaneous Income – positive variance of \$126,881 health insurer gave a rebate of \$128,000.

EXPENDITURES:

Total General Fund Expenditures – had total savings from all departments of \$711,167. The most significant variances were from:

- Public Safety – positive variance of \$567,876, due to savings in overtime of Patrol Officers
- Legal – negative variance of (\$642,685) due to litigation was offset by positive variances in other departments.

OTHER FINANCING SOURCES (USES)

The Village had Operational transfers of \$200,000 from the General Fund to Transportation Fund \$200,000 to assist with operations.

**Capital Assets and Debt Administration**

**Capital Assets.** The Village’s investment in capital assets as of September 30, 2025, amounted to \$67,275,980 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, street and sidewalk improvements, furniture and equipment, subscription arrangements, and leases (right-of-use assets). The Village’s net investment in capital assets increased by \$4,987,774 in the current fiscal year, mainly due to construction in progress in the amount of \$5,650,031.

Major capital asset events during the current fiscal year included the following:

- Buildings - \$2,225,660
- Storm drains and other infrastructure projects in progress- \$3,395,787

**Summary of Capital Assets (Net of Depreciation/Amortization)**

	<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>
Governmental activities:		
Land	\$ 32,051,095	\$ 32,051,095
Construction in progress	7,096,868	2,099,612
Furniture and Equipment	1,309,858	853,376
Building	6,711,020	7,177,202
Improvements Other than Buildings	2,946,234	3,520,182
Infrastructure	17,117,159	17,226,946
Leases (Right-of-use assets)	43,746	58,328
Governmental activities Capital Assets, net	<u>\$ 67,275,980</u>	<u>\$ 62,986,741</u>

Additional information on the Village’s capital assets can be found in Note 5 on page 34.

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$7,966,071, leases liabilities \$46,770, and liabilities to Miami-Dade County in the amount of \$348,502. The total debt is backed by the full faith and credit of the Village for which the Village is liable in the unlikely event of default.

**Summary of Outstanding Debt  
Promissory Notes, Revenue Bonds, and Leases**

	<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>
Promissory Note	\$ 471,071	\$ 556,180
Revenue Bond	7,495,000	7,860,000
Financed Purchases	469	39,856
Leases (Right-of-use Assets)	46,301	60,790
Liabilities to Miami-Dade County	348,502	422,493
Subscription arrangements	--	1,917
Total	\$ 8,361,343	\$ 8,941,236

There were two debt issues outstanding at the end of the fiscal year. This consists of the Florida Municipal Loan Council Revenue Bond Series 2021A issued in the amount of \$8,815,000 which refinanced the 2010B \$14,780,000 bond and the Promissory Note Series 2010 with Hancock Bank for \$1,205,000 which refinanced the Florida Municipal Loan Council Revenue Bond Series 2005D issued for the Village Library in the amount of \$1,495,000. Additional information on the Village’s long-term debt can be found in Note 6, pages 35-40. The Village has contractual liabilities to Miami-Dade County as part of the Village’s incorporation from the County.

**Economic Factors and Next Year’s Budgets and Rates**

- The unemployment rate for Miami-Dade County in September 2025 was 3.0%, which represents an increase from 2.1% the previous year. This is lower than the state’s average unemployment rate of 3.9% and the national average rate of 4.4% in September 2025. The unemployment rate of the Village is generally lower than the County. (Source: US Census).
- Inflationary trends in the County at 2.5% are lower than the national average which was 2.9% for August 2025.
- Most municipalities property values continue to increase, the Village fiscal year 2026 property values increased 6.7% while the County had an average increase of 8.7%.
- The general outlook at the start of 2026 was for growth in the economy of about 2.1%-2.8%, inflation trending back towards the 2% Federal Reserve target, and a strong labor market. However, factors such as global and regional politics, job growth, consumer spending and interest rates have to be watched closely as they can impact the economy and financial markets.

All these factors were considered in preparing the Village’s budget for the 2026 fiscal year. The fiscal year 2026 estimated ending fund balance in the general fund decreased to \$10,484,217, due to \$3,352,513 in new funding for capital projects and transfers. The Village used a millage rate of 2.3018 for fiscal year 2026, which is more than the roll back rate of 2.2025 mills.

## **Requests for Information**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 9705 E Hibiscus Street, Palmetto Bay, Florida 33157.

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## **BASIC FINANCIAL STATEMENTS**

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# VILLAGE OF PALMETTO BAY, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 29,732,052
Receivables	460,402
Lease receivable	1,172,480
Due from other governments	3,172,089
Prepaid items	243,071
Restricted assets:	
Cash and cash equivalents	155,471
Capital assets not being depreciated	39,147,963
Capital assets being depreciated/amortized, net	28,128,017
<b>Total Assets</b>	102,211,545
<b>Deferred Outflows of Resources</b>	
Loss on refunding	40,962
OPEB	5,522
<b>Total Deferred Outflows of Resources</b>	46,484
<b>Liabilities</b>	
Accounts payable	1,971,193
Accrued liabilities	517,521
Due to other governments	196,123
Park deposits	163,051
Unearned revenue	155,471
Noncurrent liabilities:	
Due within one year	463,992
Due in more than one year:	
Bonds and Notes	9,462,734
Lease liability (right-of-use asset)	31,657
Total OPEB Liability	44,839
<b>Total Liabilities</b>	13,006,581
<b>Deferred Inflows of Resources</b>	
Leases	1,168,208
Gain on refunding	125,241
OPEB	51,041
<b>Total Deferred Inflows of Resources</b>	1,344,490
<b>Net Position</b>	
Net investment in capital assets	57,516,950
Restricted for:	
Public transportation operations and maintenance	4,816,527
Charitable and educational projects	4,610
Police equipment and training	11,021
Impact fees	2,422,486
Grants	342,097
Building	777,533
Unrestricted	22,015,734
<b>Total Net Position</b>	\$ 87,906,958

*The accompanying notes are an integral part of these financial statements.*

**VILLAGE OF PALMETTO BAY, FLORIDA**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Governmental Activities</b>						
General government	\$ 7,100,716	\$ 524,098	\$ --	\$ --	\$ (6,576,618)	
Building permitting	2,007,904	2,378,738	--	--	370,834	
Public safety	10,578,560	394,089	3,927	--	(10,180,544)	
Public assistance	383,477	--	555,806	--	172,329	
Public works	4,064,527	826,543	492,715	2,309,568	(435,701)	
Parks and recreation	4,632,911	1,136,157	30,297	--	(3,466,457)	
Interest on long-term debt	338,678	--	--	--	(338,678)	
<b>Total Governmental Activities</b>	<b>\$ 29,106,773</b>	<b>\$ 5,259,625</b>	<b>\$ 1,082,745</b>	<b>\$ 2,309,568</b>	<b>(20,454,835)</b>	
<b>General Revenues</b>						
					10,435,205	
					3,534,080	
					862,288	
					2,205,089	
					5,505,202	
					929,326	
					385,908	
					432,437	
					<u>24,289,535</u>	
					<u>3,834,700</u>	
					<u>84,072,258</u>	
					<u>\$ 87,906,958</u>	

*The accompanying notes are an integral part of these financial statements.*

VILLAGE OF PALMETTO BAY, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Transportation Fund	Grants Fund	Building Fund	Capital Projects Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 13,530,079	\$ 3,286,103	\$ 2,881,301	\$ 271,995	\$ 8,022,303	\$ 1,740,271	\$ 29,732,052
Receivables	459,525	--	--	--	--	877	460,402
Lease receivable	1,172,480	--	--	--	--	--	1,172,480
Due from other funds	1,855,701	1,000	176,943	718,558	--	2,356	2,754,558
Due from other governments	1,413,383	475,226	1,098,514	--	--	184,966	3,172,089
Prepaid items	693,180	--	--	--	--	--	693,180
Restricted cash and cash equivalents	--	--	155,471	--	--	--	155,471
<b>Total Assets</b>	<u>\$ 19,124,348</u>	<u>\$ 3,762,329</u>	<u>\$ 4,312,229</u>	<u>\$ 990,553</u>	<u>\$ 8,022,303</u>	<u>\$ 1,928,470</u>	<u>\$ 38,140,232</u>
<b>Liabilities</b>							
Accounts payable	\$ 1,191,146	\$ 99,595	\$ 226,211	\$ 27,559	\$ 408,143	\$ 18,539	\$ 1,971,193
Accrued liabilities	438,414	13,732	--	48,495	--	16,880	517,521
Due to other funds	1,495,540	121,093	914,176	136,966	35,473	51,310	2,754,558
Due to other governments	31,819	--	164,304	--	--	--	196,123
Park and permit deposits	75,567	--	87,484	--	--	--	163,051
Unearned revenue	--	--	155,471	--	--	--	155,471
<b>Total Liabilities</b>	<u>3,232,486</u>	<u>234,420</u>	<u>1,547,646</u>	<u>213,020</u>	<u>443,616</u>	<u>86,729</u>	<u>5,757,917</u>
<b>Deferred Inflows of Resources</b>							
Leases	1,168,208	--	--	--	--	--	1,168,208
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>4,400,694</u>	<u>234,420</u>	<u>1,547,646</u>	<u>213,020</u>	<u>443,616</u>	<u>86,729</u>	<u>6,926,125</u>
<b>Fund Balances</b>							
Nonspendable:							
Prepaid items	693,180	--	--	--	--	--	693,180
Restricted:							
Public transportation operations and maintenance	--	3,527,909	--	--	--	1,288,618	4,816,527
Charitable and educational projects	--	--	--	--	--	4,610	4,610
Police equipment and training	--	--	--	--	--	11,021	11,021
Impact fees	--	--	2,422,486	--	--	--	2,422,486
Grants	--	--	342,097	--	--	--	342,097
Building	--	--	--	777,533	--	--	777,533
Committed:							
False alarm management	--	--	--	--	--	48,162	48,162
Art in public places	--	--	--	--	--	489,330	489,330
Assigned:							
Declared Emergencies	650,000	--	--	--	--	--	650,000
Community Growth	500,000	--	--	--	--	--	500,000
Revenue Volatility	1,000,000	--	--	--	--	--	1,000,000
Litigation Reserve	350,000	--	--	--	--	--	350,000
Asset Repair or Replacement and Maintenance	2,200,000	--	--	--	--	--	2,200,000
Capital Projects	--	--	--	--	7,578,687	--	7,578,687
Unassigned	9,330,474	--	--	--	--	--	9,330,474
<b>Total Fund Balances</b>	<u>14,723,654</u>	<u>3,527,909</u>	<u>2,764,583</u>	<u>777,533</u>	<u>7,578,687</u>	<u>1,841,741</u>	<u>31,214,107</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,124,348</u>	<u>\$ 3,762,329</u>	<u>\$ 4,312,229</u>	<u>\$ 990,553</u>	<u>\$ 8,022,303</u>	<u>\$ 1,928,470</u>	<u>\$ 38,140,232</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2025**

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<b>Fund Balances - Total Government Funds</b>		<b>\$ 31,214,107</b>
<p>Amounts reported for governmental activities in the statement of net position are different as a result of:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds;</p>		
Governmental capital assets	\$ 95,300,128	
Less accumulated depreciation / amortization	<u>(28,024,148)</u>	67,275,980
<p>Deferred outflows and inflows related to other post-employment benefits and debt refundings are not recognized in the governmental funds;</p>		
Deferred outflows of loss on refunding	40,962	
Deferred inflows of gain on refunding	(125,241)	
Deferred outflows of resources related to OPEB	5,522	
Deferred inflows of resources related to OPEB	<u>(51,041)</u>	(129,798)
<p>Prepaid debt service in general fund not considered a prepaid asset for governmental activities</p>		
		(450,109)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds;</p>		
Bonds payable	(8,808,408)	
Stormwater bonds	(348,502)	
Loans payable	(471,071)	
Total OPEB liability	(44,839)	
Financed Purchases	(469)	
Leases (right-of-use asset)	(46,301)	
Compensated absences	<u>(283,632)</u>	<u>(10,003,222)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 87,906,958</u></b>

*The accompanying notes are an integral part of these financial statements.*

**VILLAGE OF PALMETTO BAY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Transportation Fund	Grants Fund	Building Fund	Capital Projects Fund		
<b>Revenues</b>							
Property taxes	\$ 10,435,205	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,435,205
Utility taxes	3,534,080	--	--	--	--	--	3,534,080
Communication service tax	862,288	--	--	--	--	--	862,288
Franchise fees	2,205,089	--	--	--	--	--	2,205,089
Intergovernmental	3,115,435	2,389,767	3,392,313	--	--	--	8,897,515
Licenses and permits	455,948	--	385,908	2,378,738	--	--	3,220,594
Fines and forfeitures	394,089	--	--	--	--	--	394,089
Charges for services	1,136,157	13,111	--	--	--	881,582	2,030,850
Interest income	386,516	87,136	104,857	9,015	302,161	39,641	929,326
Miscellaneous	420,362	--	8,125	--	--	3,950	432,437
<b>Total Revenues</b>	<u>22,945,169</u>	<u>2,490,014</u>	<u>3,891,203</u>	<u>2,387,753</u>	<u>302,161</u>	<u>925,173</u>	<u>32,941,473</u>
<b>Expenditures</b>							
Current:							
General government	6,286,201	--	--	--	441,113	113,132	6,840,446
Public safety	10,536,374	--	2,286	--	--	--	10,538,660
Public assistance	--	--	383,477	--	--	--	383,477
Public works	531,999	1,759,727	102,335	--	--	742,138	3,136,199
Building permitting	--	--	--	2,008,237	--	--	2,008,237
Parks and recreation	3,362,339	--	191,354	--	85,421	--	3,639,114
Capital outlay	--	370,193	3,222,035	--	2,763,404	249,254	6,604,886
Debt service:							
Principal	486,839	--	--	--	--	73,991	560,830
Interest	318,238	--	--	--	--	20,440	338,678
<b>Total Expenditures</b>	<u>21,521,990</u>	<u>2,129,920</u>	<u>3,901,487</u>	<u>2,008,237</u>	<u>3,289,938</u>	<u>1,198,955</u>	<u>34,050,527</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,423,179</u>	<u>360,094</u>	<u>(10,284)</u>	<u>379,516</u>	<u>(2,987,777)</u>	<u>(273,782)</u>	<u>(1,109,054)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	200,000	--	--	--	--	200,000
Transfers out	(200,000)	--	--	--	--	--	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(200,000)</u>	<u>200,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,223,179	560,094	(10,284)	379,516	(2,987,777)	(273,782)	(1,109,054)
<b>Fund Balances - Beginning</b>	<u>13,500,475</u>	<u>2,967,815</u>	<u>2,774,867</u>	<u>398,017</u>	<u>10,566,464</u>	<u>2,115,523</u>	<u>32,323,161</u>
<b>Fund Balances - Ending</b>	<u>\$ 14,723,654</u>	<u>\$ 3,527,909</u>	<u>\$ 2,764,583</u>	<u>\$ 777,533</u>	<u>\$ 7,578,687</u>	<u>\$ 1,841,741</u>	<u>\$ 31,214,107</u>

*The accompanying notes are an integral part of these financial statements.*

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - total government funds		\$ (1,109,054)
--	--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated/amortized over their estimated useful lives.

Capital Outlay	\$ 6,604,886	
Less current year depreciation/amortization	<u>(2,315,647)</u>	4,289,239

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Leases (Right-of-use asset) payments	14,489	
Subscription arrangement payments	1,917	
Financed purchases payments	39,387	
Bond principal payments	431,046	
Stormwater bond payments	<u>73,991</u>	560,830

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(27,287)	
Total OPEB liability	(5,727)	
Deferred outflows of OPEB	(1,394)	
Deferred inflows of OPEB	9,451	
Amortization of premium on bonds issued	87,561	
Amortization of deferred gain on bond refunding	34,007	
Amortization of deferred loss on bond refunding	<u>(2,926)</u>	<u>93,685</u>

<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 3,834,700</u></b>
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*The accompanying notes are an integral part of these financial statements.*

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Palmetto Bay, Florida (the “Village”) was incorporated on September 10, 2002. The Village operates under a Council-Manager form of government. In addition to the general government function, the Village provides its residents with public safety (police), public works, parks and recreation, planning and zoning, and building and permitting. The Village does not provide educational, water and sewer, solid waste, fire or hospital facilities; those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Village are described below:

#### *FINANCIAL REPORTING ENTITY*

As required by GAAP, these financial statements present the Village (the primary government) and its component unit. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village’s financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization’s governing body (the “Board”) and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Component units are included in the reporting entity either as blended or as discretely presented. Blended component units, although legally separate entities are, in substance, part of the Village’s operations. Accordingly, data from these component units are combined with data of the primary government.

Based upon the application of the criteria described above, the financial activity of the blended component unit listed below has been included in the Village’s financial reporting entity as a special revenue fund. The Board of Directors of the Palmetto Bay Foundation, Inc. (the “Foundation”) are the same individuals as the Village Council.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BLENDING COMPONENT UNIT*

The Foundation was created on December 6, 2004 for the purpose of enhancing and preserving the history of Palmetto Bay. The Foundation is a not-for-profit 501(c)(3) corporation using a calendar year end and, therefore, amounts presented for the Foundation are as of and for the year ended December 31, 2024. The primary government has operational responsibility for the component unit. Revenues consist primarily of donations and investment income. The Foundation's Articles of Incorporation restrict the use of the funds to charitable, educational or scientific purposes. For the year ended December 31, 2024, the Foundation had approximately \$4,600 in assets and approximately \$700 in expenditures and no revenues, respectively.

#### *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Village as a whole. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Village does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, impact fees (non-exchange), and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as nonmajor governmental funds.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available when they are collected within 60 days of the end of the current fiscal period except for revenues received from Miami-Dade County for the half-penny tax which are collected within 90 days of the end of the current fiscal period due to the nature of the collection cycle. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, as such, have been recognized as revenues of the current fiscal period. Revenue for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

- **General Fund:** The fund is the Village’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Transportation Fund:** The fund accounts for the restricted revenues received from the transportation surtax, the local option gas tax, and expenditures for related transportation costs.
- **Grants Fund:** The fund accounts for all restricted grant monies and the related program income from federal, state, and local agency grants. This fund is reported separately for transparency.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS, BASIS, OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)*

- **Building Fund:** The fund accounts for the restricted resources and operations of building permitting and inspections.
- **Capital Projects Fund:** The fund accounts for the activities of the Village’s ongoing capital projects.

Additionally, the Village reports nonmajor funds within the governmental fund types as follows:

- **Special Revenue Funds:** These funds account for restricted monies received which are to be used in accordance with the funds’ stated purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### *DEPOSITS AND INVESTMENTS*

The Village’s cash and cash equivalents include cash on hand, pooled cash, demand deposits, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

The nature of investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the local government surplus funds trust fund, money market funds, direct or unconditionally guaranteed obligations of the United States government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts. Income from investments is recorded as earned.

#### *INTERFUND RECEIVABLES AND PAYABLES*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds.”

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *RECEIVABLES*

Receivables include amounts due from other governments and others for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. Management has considered outstanding receivables and has deemed them to be fully collectible. As such, an allowance for uncollectible accounts was not considered necessary.

#### *LEASE RECEIVABLE*

The Village's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

#### *PREPAID ITEMS*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. In certain instances, prepaid items reported in governmental funds represent debt service payment paid prior to its respective due date. These costs are expensed when used. Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

#### *PROPERTY TAXES*

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the Village is certified by the Property Appraiser and the Village levies a tax millage rate upon the taxable value, which provides revenue required for the fiscal year beginning October 1. The millage rate assessed by the Village for the fiscal year ended September 30, 2025 was 2.3500 mills.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *PROPERTY TAXES (CONTINUED)*

Property taxes levied each November 1, by the Village and all other taxing authorities within Miami-Dade County, are centrally billed and collected by Miami-Dade County, with remittances to the Village of its proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the Village for its share of those receipts. At September 30, 2025, there were no material delinquent taxes.

##### *CAPITAL ASSETS*

Capital assets, which include land, buildings, furniture and equipment, improvements other than buildings, intangibles (i.e. software), right-to-use assets (leases), subscription arrangements (i.e. information technology), and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Village maintains a \$750,000 threshold for capitalizing easements and a \$250,000 threshold for capitalizing software.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5-20
Vehicles	7
Buildings	30
Leasehold improvements	10
Infrastructure	30
Software	5
Right-to-use assets	Through lease maturity
Subscription arrangement	Through subscription maturity

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *LEASES (RIGHT-OF-USE ASSET)*

The leases (right-of-use asset) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use asset) are amortized on a straight-line basis over the life of the related lease.

#### *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (“SBITA”)*

The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

#### *COMPENSATED ABSENCES*

The Village’s policy is to permit employees to accumulate paid time off (“PTO”) benefits. Based on their length of service to the Village, employees may carry over a maximum of 80 unused hours each calendar year, with the exception of the village clerk and village manager, who can carry over a maximum of 280 unused hours each calendar year. Any unused hours in excess of the maximum is paid out. All PTO is accrued when incurred in the government-wide fund financial statements based on current rates of pay. Compensated absences are expected to be used in the following year.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental funds, compensated absences are liquidated from the general fund.

#### *LONG-TERM OBLIGATIONS*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums, discounts, and deferred amounts on refunding are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed as incurred.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *LONG-TERM OBLIGATIONS (CONTINUED)*

In the fund financial statements, governmental fund types recognize bond premiums and discounts. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term liabilities of governmental funds are generally liquidated through the general fund with the exception of the debt accounted for in the transportation fund, building fund and nonmajor governmental stormwater management fund.

#### *DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category as deferred outflows of resources. An item related to Other Post-Employment Benefits (“OPEB”) and the loss on refunding of Florida Municipal Loan Council Revenue Series 2010B (“FMLC Bonds”) (Note 6).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Village has three items that qualify for reporting in this category. An item related to leases, an item related to OPEB, and an item related to the gain on refunding on bonds with Miami-Dade County (Note 6).

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND BALANCE*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted** - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance which is the Village Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action or motion that was employed when the funds were initially committed. An ordinance is required to establish, modify, or rescind fund balance commitments. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Village Council or their designee. The Village Manager has been designated by the Village Council via resolution as authorized to assign fund balances.

**Unassigned** - This classification includes the residual fund balance for the General Fund only and the amount established for minimum funding which represents the portion of the General Fund balance that has been established to be used in emergency situations. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND BALANCE FLOW ASSUMPTIONS*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the Village Council has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

#### *NET POSITION*

Net position in the government-wide financial statements are classified into three components:

**Net Investment in Capital Assets** - This category consists of capital assets, net of accumulated depreciation/amortization, and reduced by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds, plus the net effect of capital asset related deferred outflow/inflow of resources.

**Restricted Net Position** - This category consists of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - This category consists of all net position that does not meet the definition of either of the other two components.

#### *NET POSITION FLOW ASSUMPTION*

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *USE OF ESTIMATES*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows/outflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. These estimates include assessing the collectability of receivables, and the useful lives of capital assets. Actual results could differ from those estimates.

##### *IMPLEMENTATION OF NEW GASB STANDARDS*

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. This Statement was implemented by the Village for the fiscal year ended September 30, 2025; however, there was no material impact to the Village's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months on the date the financial statements are issued. This Statement was implemented by the Village for the fiscal year ended September 30, 2025; however, there was no material impact to the Village's financial statements.

#### NOTE 2 – CASH AND CASH EQUIVALENTS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution, eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

#### *INVESTMENTS*

The Florida State Board of Administration (“SBA”) Pool, hereinafter referred to as “Florida PRIME”, is not a registrant with the Securities and Exchange Commission (“SEC”); however, its board has adopted operating procedures consistent with the requirements for a 2a-7 fund. In accordance with these requirements, the method used to determine the participants’ shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment’s value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity.

The SBA is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the general operating procedures for the administration of the SBA. Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial credit risk as these investments are not evidenced by securities that exist in physical or bank entry form.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Village’s investment in the Florida PRIME meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value. At September 30, 2025, the Village’s investment in the Florida PRIME was \$2,296,699. Florida PRIME is presented as a cash equivalent.

**Interest Rate Risk** - The Village has an investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates. To mitigate risk, the Village primarily invests in investments with maturities of twelve months or less.

The dollar weighted average days to maturity (“WAM”) of Florida PRIME at September 30, 2025, is 47 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (“WAL”) of Florida PRIME at September 30, 2025, is 73 days.

**Credit Risk** - The Village has an investment policy that limits investments to the highest ratings by a nationally recognized statistical rating organization (“NRSRO”) (Standard and Poor’s and Moody’s investment services). In order to mitigate credit risk, the Village does limit investments to the highest ratings by a NRSRO. Florida PRIME is rated AAAM by Standard and Poor’s.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)**

*INVESTMENTS (CONTINUED)*

The SBA issues a separate financial report. A copy of this financial report can be found on the SBA website at [www.sbafla.com](http://www.sbafla.com).

**Concentration of Credit Risk** - The Village diversifies its portfolio in such a way to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. The Village only invests in Florida PRIME at September 30, 2025.

**NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at September 30, 2025 were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,855,701	\$ 1,495,540
Transportation Fund	1,000	121,093
Grants Fund	176,943	914,176
Building Fund	718,558	136,966
Capital Projects Fund	--	35,473
Nonmajor Governmental Funds	2,356	51,310
	\$ 2,754,558	\$ 2,754,558

Outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**TRANSFERS**

Transfers during the fiscal year ended September 30, 2025 were as follows:

	Transfers in	Transfers out
General Fund	\$ --	\$ 200,000
Transportation Fund	200,000	--
	\$ 200,000	\$ 200,000

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

##### *TRANSFERS (CONTINUED)*

Transfer activity noted above represent movement of unrestricted revenues to fund General Fund and Transportation Fund activity/projects.

#### NOTE 4 – LEASE RECEIVABLE

On May 2, 2005, the Village, as a lessor, entered into a 28 year lease with Miami-Dade County that commenced during fiscal year 2008 for the use of Ludovici Park Library. Effectively October 1, 2021, the Village implemented GASB 87. An initial lease receivable was recorded in the amount of \$1,593,011. As of September 30, 2025, the value of the lease receivable is \$1,172,480. Miami-Dade County is required to make an annual payment totaling \$108,981. The lease receivable is measured at a discount rate of 4.46%, which is an implicit interest rate. The value of the deferred inflow of resources as of September 30, 2025, was \$1,168,208 and the Village recognized lease revenue of \$106,201 during the fiscal year.

Both Miami-Dade County and the Village have the right to terminate the agreement. In the event the Village terminates this agreement before it expires, it shall provide the County at no additional cost to the County and with no interruption except reasonable time for relocation, a space comparable in size and amenities to the Library and acceptable to the County. The Village shall be responsible for the full cost of such relocation. In the event the County terminates this agreement before it expires, the County shall provide the Village with a balloon payment equal to the balance needed to pay-off the Village's construction cost debt.

The following schedule represents the future principal and interest revenue to be received:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	\$ 104,623	\$ 4,358	\$ 108,981
2027	105,012	3,969	108,981
2028	105,402	3,579	108,981
2029	105,794	3,187	108,981
2030	106,187	2,794	108,981
2031-2035	536,885	8,019	544,904
2036	108,577	404	108,981
<b>Total</b>	<b>\$ 1,172,480</b>	<b>\$ 26,310</b>	<b>\$ 1,198,790</b>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

#### NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 32,051,095	\$ --	\$ --	\$ 32,051,095
Construction in progress	2,099,612	5,650,031	652,775	7,096,868
Total capital assets not being depreciated/amortized	<u>34,150,707</u>	<u>5,650,031</u>	<u>652,775</u>	<u>39,147,963</u>
Capital assets being depreciated/amortized:				
Intangibles	492,153	--	--	492,153
Furniture and equipment	2,800,209	794,848	17,169	3,577,888
Buildings	13,985,470	--	--	13,985,470
Improvements other than buildings	13,718,089	127,012	--	13,845,101
Infrastructure	23,457,183	685,770	--	24,142,953
Leases (Right-of-use asset):				
Buildings	47,964	--	--	47,964
Furniture and equipment	38,650	--	--	38,650
Subscription arrangements	21,986	--	--	21,986
Total capital assets being depreciated/amortized	<u>54,561,704</u>	<u>1,607,630</u>	<u>17,169</u>	<u>56,152,165</u>
Less accumulated depreciation/amortization for:				
Intangibles	492,153	--	--	492,153
Furniture and equipment	1,946,833	338,366	17,169	2,268,030
Buildings	6,808,268	466,182	--	7,274,450
Improvements other than buildings	10,197,907	700,960	--	10,898,867
Infrastructure	6,230,237	795,557	--	7,025,794
Leases (Right-of-use asset):				
Buildings	20,556	6,852	--	27,408
Furniture and equipment	7,730	7,730	--	15,460
Subscription arrangements	21,986	--	--	21,986
Total accumulated depreciation/amortization	<u>25,725,670</u>	<u>2,315,647</u>	<u>17,169</u>	<u>28,024,148</u>
Total capital assets being depreciated/amortized, net	<u>28,836,034</u>	<u>(708,017)</u>	<u>--</u>	<u>28,128,017</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 62,986,741</u></u>	<u><u>\$ 4,942,014</u></u>	<u><u>\$ 652,775</u></u>	<u><u>\$ 67,275,980</u></u>

Depreciation/Amortization expense charged to the functions or programs of the Village for the fiscal year ended September 30, 2025 was as follows:

General government	\$ 352,748
Public safety	39,900
Transportation	928,661
Parks and recreation	994,338
<b>Total Depreciation/Amortization Expense</b>	<u><u>\$ 2,315,647</u></u>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

#### NOTE 6 – LONG-TERM LIABILITIES

Long-term debt activity for the fiscal year ended September 30, 2025 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
FMLC Bonds - Series 2021A	\$ 7,860,000	\$ --	\$ (365,000)	\$ 7,495,000	\$ --
Less deferred amounts:					
Issuance premium - Series 2021A	<u>1,400,969</u>	<u>--</u>	<u>(87,561)</u>	<u>1,313,408</u>	<u>87,561</u>
Total bonds payable (direct borrowing)	<u>9,260,969</u>	<u>--</u>	<u>(452,561)</u>	<u>8,808,408</u>	<u>87,561</u>
Note payable:					
Refunding Revenue Note, Series 2015	<u>556,180</u>	<u>--</u>	<u>(85,109)</u>	<u>471,071</u>	<u>--</u>
Total Note payable (direct borrowing)	<u>556,180</u>	<u>--</u>	<u>(85,109)</u>	<u>471,071</u>	<u>--</u>
Liabilities with Miami-Dade County:					
Stormwater bonds (Refinanced)	<u>422,493</u>	<u>--</u>	<u>(73,991)</u>	<u>348,502</u>	<u>77,686</u>
Total liabilities with Miami-Dade County (direct borrowings)	<u>422,493</u>	<u>--</u>	<u>(73,991)</u>	<u>348,502</u>	<u>77,686</u>
Leases (Right-of-use asset)	60,790	--	(14,489)	46,301	14,644
Financed Purchases	39,856	--	(39,387)	469	469
Subscription arrangements	1,917	--	(1,917)	--	--
Compensated absences	<u>256,345</u>	<u>283,632</u>	<u>(256,345)</u>	<u>283,632</u>	<u>283,632</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$ 10,598,550</u>	<u>\$ 283,632</u>	<u>\$ (923,799)</u>	<u>\$ 9,958,383</u>	<u>\$ 463,992</u>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

##### *REFUNDING REVENUE NOTE, SERIES 2015 (DIRECT BORROWING)*

During fiscal year 2016, the Village issued a Refunding Revenue Note, Series 2015 (“Note”), facilitated by the Florida Municipal Loan Council (“FMLC”) in the principal amount of \$1,252,148. The refunding was a current refunding. The proceeds were used for the cost of the initial issuance of the Note and to refund the cost of the Florida Municipal Loan Council Bond Series 2005D for the construction of a library building which had an outstanding balance of \$1,205,000. The Note is collateralized by a pledge of the Village’s non-ad valorem revenues. Total pledged amounts over the life of the note are expected to be approximately \$3,000,000. For the current year, debt service and pledged revenues were approximately \$98,000 and \$109,000, respectively. The total principal and interest remaining on the bonds is \$504,822. The refunding reduced total debt service payments by nearly \$357,385. The bonds are payable semi-annually through October 2030 with principal amounts ranging from approximately \$69,000 to \$97,000 with an interest of 2.359%. The final maturity date of the bonds is October 1, 2030.

Whenever any event of default as referred to in the Note agreement occurs, the FMLC or the purchaser shall, in addition to any other remedies herein or by law provided, have the right at its or their option without any further demand or notice, except as otherwise provided for in this agreement, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due to it and thereafter to become due hereunder or to enforce any other of its or their rights hereunder; provided; however, the FMLC shall only have the right to take such action as it deems necessary to collect amounts then due or to become due to the FMLC.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026*	\$ --	\$ 5,556	\$ 5,556
2027	89,544	10,056	99,600
2028	94,138	7,890	102,028
2029	93,203	5,680	98,883
2030	97,640	3,429	101,069
2031	<u>96,546</u>	<u>1,140</u>	<u>97,686</u>
<b>Total</b>	<u>\$ 471,071</u>	<u>\$ 33,751</u>	<u>\$ 504,822</u>

\* Debt Service Payment due on October 1, 2025 was paid during fiscal year ended September 30, 2025.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

##### *STORMWATER UTILITY REVENUE BONDS (DIRECT BORROWING)*

The Village is required to pay Miami-Dade County its pro rata share of principal and interest of the Miami-Dade County Stormwater Utility Revenue Bonds, Series 1999 and 2004 issued and outstanding since the exemption date of the Village. On September 16, 2013 the Miami-Dade County refunded all of the outstanding Stormwater Utility Revenue Bonds, Series 1999 and Series 2004, except for the Stormwater Utility Revenue Bonds, Series 2004, which matured on April 1, 2014 and April 1, 2015. The proceeds from the bonds were used for the installation of drainage throughout the Village. The Village's pro-rata share of the bonds is approximately 1.7% and is payable annually through fiscal year 2029.

On September 9, 2020, the Miami-Dade County refunded the outstanding Stormwater Utility Revenues Series 2013 with the issuance of the Stormwater Utility Revenue Refunding Bonds, Series 2020. This resulted in a principal balance savings for the Village of \$162,528 during fiscal year 2020. The principal and interest payments for the fiscal year ended September 30, 2025 were approximately \$94,500. Payments include interest at approximately 3.5% per annum.

Upon an event of default in the Master Ordinance of Miami-Dade County, a trustee or Bondholder acting for the Holders of all Bonds made by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State of Florida, or granted and contained in the Master Ordinance, and may enforce and compel the performance of all duties required in the Master Ordinance or by any applicable statutes to be performed by the County or by an officer thereof.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	\$ 77,686	\$ 16,740	\$ 94,426
2027	81,528	12,855	94,383
2028	85,686	8,780	94,466
2029	<u>103,602</u>	<u>5,180</u>	<u>108,782</u>
<b>Total</b>	<u>\$ 348,502</u>	<u>\$ 43,555</u>	<u>\$ 392,057</u>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

***FLORIDA MUNICIPAL LOAN COUNCIL REFUNDING REVENUE BONDS, SERIES 2021A  
(DIRECT BORROWING)***

In August 2021, the Village issued FMLC Refunding Revenue Bonds, Series 2021A in the principal amount of \$8,815,000 with a bond premium of \$1,663,652. The Series 2021A bonds were issued for the purpose of refunding the Series 2010B in order to reduce total debt service payments by \$4,647,661. The economic gain on the refunding was \$3,156,171 in net present value savings. The reacquisition price exceeded the net carrying amount of the old debt by \$34,784, which was deemed insignificant. The bonds are secured by a pledge of the Village’s non-ad valorem revenues. The principal and interest payments for the fiscal year ended September 30, 2025 were \$655,200. The total principal and interest remaining on the bonds is \$9,921,350. The bonds are payable semi-annually over 20 years with principal amounts ranging from \$649,000 to \$656,000 and interest payments ranging from 3% to 4%. The final maturity date of the bonds is October 1, 2040. S&P Global Ratings (S&P) has assigned a rating to the Bonds of “AAA” (stable outlook).

Whenever any event of default referred to in the bond agreement hereof shall have happened and be continuing, the Council or the trustee shall, in addition to any other remedies herein or by law provided, have the right, at its or their option without any further demand or notice, to take such steps and exercise such remedies as provided in the Agreement, and, without limitation, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder or to enforce any other of its or their rights hereunder.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026*	\$ --	\$ 282,900	\$ 282,900
2027	375,000	268,100	643,100
2028	390,000	252,800	642,800
2029	405,000	236,900	641,900
2030	425,000	220,300	645,300
2031-2035	2,385,000	828,100	3,213,100
2036-2040	2,885,000	327,800	3,212,800
2041	<u>630,000</u>	<u>9,450</u>	<u>639,450</u>
<b>Total</b>	<b><u>\$ 7,495,000</u></b>	<b><u>\$ 2,426,350</u></b>	<b><u>\$ 9,921,350</u></b>

\* Debt Service Payment due on October 1, 2025 was paid during fiscal year ended September 30, 2025.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

##### *LEASES (RIGHT-OF-USE ASSET)*

The Village has entered into an agreement to lease certain property. The lease agreements qualify as other than a short-term lease under GASB Statement No. 87 and therefore; has been recorded at the present value of the future minimum lease payments as of the date of their inception.

On November 1, 2018, the Village entered into a 10 year lease as Lessee for the use of the Perrine Community House. An initial lease liability was recorded in the amount of \$47,964 as of October 1, 2021. As of September 30, 2025, the value of the lease liability is \$21,822. A total of principal and interest payments made during the fiscal year was \$6,826. The Village is required to make monthly fixed payments of \$552 and will gradually increase annually up to \$605 through fiscal year 2029. The lease liability is measured at a discount rate of 0.26%, which is an implicit interest rate. The value of the right-of-use asset as of September 30, 2025 is \$47,964, net of accumulated amortization of \$27,408.

On November 9, 2023, the Village entered into a 5 year lease as a Lessee related to the acquisition of a vehicle for use in the Capital Projects Fund. An initial lease liability was recorded in the amount of \$38,650 in the current year. As of September 30, 2025, the value of the lease liability is \$24,479. A total of principal and interest payments made during the fiscal year was \$10,353. The Village is required to make monthly fixed payments of \$644 through fiscal year 2029. The value of the right-of-use asset as of September 30, 2025 is \$38,650, net of accumulated amortization of \$15,460.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	\$ 14,644	\$ 2,672	\$ 17,316
2027	14,801	2,653	17,454
2028	14,962	2,635	17,597
2029	1,894	437	2,331
<b>Total</b>	<u>\$ 46,301</u>	<u>\$ 8,397</u>	<u>\$ 54,698</u>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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#### NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

##### *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)*

The Village has entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term lease under GASB Statement No. 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

The Village entered into 2 subscription arrangements which are each 36 months in duration. An initial subscription arrangements liability was recorded in the amount of \$21,986 during the fiscal year ended September 30, 2023. As of September 30, 2025, the value of the subscription arrangements liability was \$0. Principal and interest payments made during the fiscal year totaled \$1,923. The value of the subscription arrangements as of September 30, 2025 is \$21,986, with accumulated amortization of \$21,986. The arrangement was not renewed as of September 30, 2025.

##### *FINANCED PURCHASES*

The Village has entered into lease purchase agreements for financing the acquisition of vehicles in the Transportation Fund, Building Fund, and Capital Projects fund. The lease agreements qualify as financed purchases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the inception date.

<b>Assets</b>	
Vehicles	\$ 215,579
Accumulated depreciation	<u>(211,118)</u>
<b>Carrying Value</b>	<u>\$ 4,461</u>

Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2025 are as follows:

<u>Fiscal Year Ending September 30,</u>	
2026	\$ <u>520</u>
Total minimum lease payments	520
Less: amount representing interest	<u>51</u>
Total principal outstanding amount	<u>\$ 469</u>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 7 – DEFINED CONTRIBUTION PLAN

The Village provides retirement benefits for full time employees through a money purchase plan (a defined contribution plan) (the “Plan”). The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of the employees are tax deferred until the time of withdrawal. The Plan is administered by International City Managers’ Association Retirement Corporation. Amendments to the Plan are authorized by the Village Council. The Plan was established pursuant to Resolution 03-82 adopted on October 7, 2003 by the Village Council.

Plan benefits depend solely on amounts contributed to the Plan, plus investment earnings, less administrative expenses. The Village’s minimum contribution for participating employees is 6% of the employees’ gross salary. Plan members may contribute up to 6% of the Plan member’s gross salary and receive an additional equal match from the Village for a total Village contribution of up to 12% of the member’s salary. Employees are fully vested after 5 years of service. Employees contributed approximately \$416,000 and the Village contributed approximately \$577,850 to the Plan during the fiscal year ended September 30, 2025.

### NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

#### *PLAN DESCRIPTION*

The Village, in compliance with Florida Statute 112.0801, shall allow all former personnel who retire, and their eligible dependents, the option to continue to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation shall be paid by the retired employees. The benefits of the OPEB Plan conform to Florida Statutes, which is the legal authority for the OPEB Plan. The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. The OPEB Plan has no assets and does not issue a separate financial report. The OPEB Plan is a single-employer defined benefit plan.

#### *FUNDING POLICY*

The Village provides no funding for any portion of the premiums after retirement. However, the Village recognizes that there is an “implicit subsidy” arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. It is the Village’s current policy to fund the plan on a “pay-as-you-go” basis. The OPEB liability is liquidated through funds from the General Fund.

The Village requires that retirees must pay the monthly premium as determined by the insurance carrier for single coverage, spousal coverage, children coverage, or family coverage, as applicable.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

***EMPLOYEES COVERED BY BENEFIT TERMS***

At September 30, 2025, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	--
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>56</u>
<b>Total Members</b>	<u><u>56</u></u>

***TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY***

The Village’s total OPEB liability of \$44,839 was measured as of September 30, 2025, and was determined by an actuarial valuation dated as of October 1, 2023. It was determined not to reclassify any long-term amounts that are considered to be due within one year in relation to the Total OPEB Liability as the amounts are minimal. Since these amounts are not material, the Village will not present them in the financial statements or footnotes.

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2024</b>	<u>\$ 39,112</u>
Changes for the year:	
Service cost	6,540
Interest	1,554
Assumption changes and other inputs	(705)
Benefit payments	<u>(1,662)</u>
Net changes	<u>5,727</u>
<b>Balance at September 30, 2025</b>	<u><u>\$ 44,839</u></u>
Covered Employee Payroll	\$4,151,759
Total OPEB liability as a percentage of covered employee payroll	1.08%

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

The total OPEB liability in the October 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	October 1, 2023
Measurement date	September 30, 2025
Inflation	3.00%
Salary increases	4.00%
Discount rate	4.50%
Healthcare cost trend rates	7.9% for POS Medical Plan and 7.8% for HMO Medical Plan and gradually decreasing to an ultimate rate of 4.5% in 2039
Retirees' share of benefit-related costs	Same as Health Care Trend
Mortality	PubG.H-2010 Mortality Table - General with Mortality Improvement using Scale MP-2020

*SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following presents the sensitivity of the Village’s total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact on the Village’s total OPEB liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at September 30, 2025:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB Liability	\$ 46,683	\$ 44,839	\$ 43,111

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES**

The following presents the sensitivity of the Village’s total OPEB liability, calculated using the 7.9% to 7.8% healthcare trend rate. The sensitivity analysis shows the impact on the Village’s total OPEB liability if the healthcare trend rate were 1.00% lower or 1.00% higher than the healthcare trend rate at September 30, 2025:

	1% Decrease (6.90% to 6.80%)	Current Trend Rates (7.90% to 7.80%)	1% Increase (8.90% to 8.80%)
Total OPEB Liability	\$ 42,389	\$ 44,839	\$ 47,583

***OPEB EXPENSE (BENEFIT) AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For fiscal year ended September 30, 2025, the Village recognized OPEB Expense (Benefit) of (\$2,330). As of September 30, 2025, the Village reports deferred outflows and inflows of resources related to the OPEB Plan as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ --	\$ 34,125
Changes of assumptions	5,522	16,916
<b>Total</b>	<b>\$ 5,522</b>	<b>\$ 51,041</b>

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

***OPEB EXPENSE (INCOME) AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)***

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Fiscal Year Ending September 30	Amount
2026	\$ (8,761)
2027	(8,761)
2028	(8,750)
2029	(8,077)
2030	(6,981)
Thereafter	(4,189)
<b>Total</b>	<b>\$ (45,519)</b>

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

***GRANTS***

Grant monies received and disbursed by the Village are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. Based upon prior experience, the Village does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the Village.

***LITIGATION***

The Village is also subject to various claims that arise in the normal course of business. Management believes that, although the outcome of the litigation cannot be predicted with certainty, the ultimate liability, if any, will not have a material adverse effect on the Village's financial statements.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***RISK MANAGEMENT***

The Village is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Village carries commercial insurance. There was no reduction in insurance coverage from coverage in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

***AGREEMENT WITH MIAMI-DADE COUNTY FOR LOCAL POLICE PATROL SERVICES***

On May 5, 2003, the Village executed an agreement with Miami-Dade County for local police patrol services. The Village makes regular monthly payments to Miami-Dade County. Payments are adjusted to accrue for labor costs incurred and deducted from the gross revenues due to the Village from Miami-Dade County. Payments for the services provided by Miami-Dade County are based on the level of staffing services requested by the Village utilizing the actual personnel costs of officers and equipment. This agreement was modified in October 1, 2024 and expires in September 2029. Payments for patrol services totaled approximately \$10,380,395 during fiscal year ended September 30, 2025.

***CONSTRUCTION COMMITMENTS***

The Village had construction commitments of approximately \$6,243,451 outstanding at September 30, 2025.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**VILLAGE OF PALMETTO BAY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 10,285,200	\$ 10,285,200	\$ 10,435,205	\$ 150,005
Utility taxes	3,525,000	3,525,000	3,534,080	9,080
Communication service tax	850,000	850,000	862,288	12,288
Franchise fees	2,100,000	2,100,000	2,205,089	105,089
Intergovernmental	3,274,000	3,274,000	3,115,435	(158,565)
Licenses and permits	261,000	261,000	455,948	194,948
Fines and forfeitures	275,000	275,000	394,089	119,089
Charges for services	1,020,000	1,020,000	1,136,157	116,157
Interest	349,476	349,476	386,516	37,040
Miscellaneous	293,481	293,481	420,362	126,881
<b>Total Revenues</b>	<u>22,233,157</u>	<u>22,233,157</u>	<u>22,945,169</u>	<u>712,012</u>
<b>Expenditures</b>				
Current:				
General government				
Village council	215,198	215,198	182,178	33,020
Village manager/clerk	858,367	858,367	750,829	107,538
Finance department	1,394,345	1,394,345	1,244,792	149,553
Information Technology	382,666	382,666	307,922	74,744
Village attorney	696,635	696,635	1,339,321	(642,686)
Planning and zoning	678,933	678,933	711,205	(32,272)
Other general government	1,935,050	1,935,050	1,749,954	185,096
<b>Total General Government</b>	<u>6,161,194</u>	<u>6,161,194</u>	<u>6,286,201</u>	<u>(125,007)</u>
Public safety	11,104,250	11,104,250	10,536,374	567,876
Public works	632,589	632,589	531,999	100,590
Parks and recreation	3,569,743	3,569,743	3,362,339	207,404
Debt service:				
Principal	451,046	451,046	486,839	(35,793)
Interest	314,335	314,335	318,238	(3,903)
<b>Total Expenditures</b>	<u>22,233,157</u>	<u>22,233,157</u>	<u>21,521,990</u>	<u>711,167</u>
<b>Excess of Revenues Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>1,423,179</u>	<u>1,423,179</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	--	(200,000)	(200,000)	--
Appropriation of prior year's fund balance	--	200,000	--	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>(200,000)</u>	<u>(200,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,223,179</u>	<u>\$ 1,223,179</u>

*See notes to budgetary comparison schedule.*

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**NOTE 1 – BUDGETARY COMPARISON SCHEDULES**

The General Fund annual appropriated budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Special Revenue and Capital Projects Funds do not have annual appropriated adopted budgets.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to fiscal year end, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them by means of appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures, including capital outlay and transfers in the General Fund is legally maintained at the fund level.
- (2) Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (“TRIM”) legislation.
- (3) Prior to October 1st (unless preempted by TRIM) as stated in the Village’s Charter, the budget is legally enacted through passage of an ordinance.
- (4) The Village Manager may amend the adopted budget for adjustments within departments administratively in the General Fund, but the Village Council must approve all budget adjustments between funds. Supplemental appropriations of revenues in excess of the adopted budget may be appropriated by the Council by way of an ordinance. There were no supplemental appropriations for the fiscal year.
- (5) Unencumbered appropriations lapse at year-end.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB  
LIABILITY AND RELATED RATIOS**

September 30, (Measurement Date)	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service cost	\$ 6,540	\$ 6,554	\$ 6,723	\$ 7,635	\$ 8,582	\$ 7,653	\$ 2,702	\$ 3,035
Interest	1,554	2,865	2,410	2,227	2,087	686	751	912
Changes of benefit terms	--	(9,664)	--	--	--	92,330	--	--
Differences between actual and expected experience	--	(5,466)	--	(46,495)	--	(13,315)	--	(475)
Assumption changes and other inputs	(705)	(13,883)	(219)	(4,036)	(644)	6,401	83	93
Benefit payments	(1,662)	(243)	(957)	--	(31,807)	--	(9,988)	(12,263)
Other changes	--	--	--	--	--	503	27	993
<b>Net Change in Total OPEB Liability</b>	5,727	(19,837)	7,957	(40,669)	(21,782)	94,258	(6,425)	(7,705)
<b>Total OPEB Liability - Beginning</b>	39,112	58,949	50,992	91,661	113,443	19,185	25,610	33,315
<b>Total OPEB Liability - Ending</b>	<u>\$ 44,839</u>	<u>\$ 39,112</u>	<u>\$ 58,949</u>	<u>\$ 50,992</u>	<u>\$ 91,661</u>	<u>\$ 113,443</u>	<u>\$ 19,185</u>	<u>\$ 25,610</u>
<b>Covered Employee Payroll</b>	\$ 4,151,759	\$ 3,975,078	\$ 4,210,643	\$ 4,046,789	\$ 3,718,367	\$ 3,542,189	\$ 3,401,757	\$ 3,210,720
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	1.08%	0.98%	1.40%	1.26%	2.47%	3.20%	0.56%	0.80%

**Notes to Schedule:**

The Plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation.

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

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**COMBINING FINANCIAL STATEMENTS**

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VILLAGE OF PALMETTO BAY, FLORIDA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue					Total
	Stormwater Management	Law Enforcement Trust Fund	False Alarm Fund	Art in Public Places Fund	Palmetto Bay Foundation	
<b>Assets</b>						
Cash and cash equivalents	\$1,185,139	\$ 10,237	\$ 50,601	\$ 489,684	\$ 4,610	\$1,740,271
Receivables	877	--	--	--	--	877
Due from other funds	--	248	2,108	--	--	2,356
Due from other governments	184,430	536	--	--	--	184,966
<b>Total Assets</b>	<u>\$1,370,446</u>	<u>\$ 11,021</u>	<u>\$ 52,709</u>	<u>\$ 489,684</u>	<u>\$ 4,610</u>	<u>\$1,928,470</u>
<b>Liabilities</b>						
Accounts payable	\$ 18,150	\$ --	\$ 103	\$ 286	\$ --	\$ 18,539
Accrued liabilities	15,762	--	1,118	--	--	16,880
Due to other funds	47,916	--	3,326	68	--	51,310
<b>Total Liabilities</b>	<u>81,828</u>	<u>--</u>	<u>4,547</u>	<u>354</u>	<u>--</u>	<u>86,729</u>
<b>Fund Balances</b>						
Restricted:						
Public transportation operations and maintenance	1,288,618	--	--	--	--	1,288,618
Charitable and educational projects	--	--	--	--	4,610	4,610
Police equipment and training	--	11,021	--	--	--	11,021
Committed:						
False alarm management	--	--	48,162	--	--	48,162
Art in public places	--	--	--	489,330	--	489,330
<b>Total Fund Balances</b>	<u>1,288,618</u>	<u>11,021</u>	<u>48,162</u>	<u>489,330</u>	<u>4,610</u>	<u>1,841,741</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$1,370,446</u>	<u>\$ 11,021</u>	<u>\$ 52,709</u>	<u>\$ 489,684</u>	<u>\$ 4,610</u>	<u>\$1,928,470</u>

**VILLAGE OF PALMETTO BAY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Special Revenue					Total
	Stormwater Management	Law	False Alarm Fund	Art in	Palmetto	
		Enforcement Trust Fund		Public Places Fund	Bay Foundation	
<b>Revenues</b>						
Charges for services	\$ 826,543	\$ --	\$ 36,108	\$ 18,931	\$ --	\$ 881,582
Interest income	37,316	251	1,823	248	3	39,641
Miscellaneous	432	2,795	723	--	--	3,950
<b>Total Revenues</b>	<u>864,291</u>	<u>3,046</u>	<u>38,654</u>	<u>19,179</u>	<u>3</u>	<u>925,173</u>
<b>Expenditures</b>						
Current:						
General government	--	300	61,016	51,105	711	113,132
Public works	742,138	--	--	--	--	742,138
Capital outlay	249,254	--	--	--	--	249,254
Debt service:						
Principal	73,991	--	--	--	--	73,991
Interest	20,440	--	--	--	--	20,440
<b>Total Expenditures</b>	<u>1,085,823</u>	<u>300</u>	<u>61,016</u>	<u>51,105</u>	<u>711</u>	<u>1,198,955</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(221,532)</u>	<u>2,746</u>	<u>(22,362)</u>	<u>(31,926)</u>	<u>(708)</u>	<u>(273,782)</u>
<b>Net Change in Fund Balances</b>	<u>(221,532)</u>	<u>2,746</u>	<u>(22,362)</u>	<u>(31,926)</u>	<u>(708)</u>	<u>(273,782)</u>
<b>Fund Balances - Beginning</b>	<u>1,510,150</u>	<u>8,275</u>	<u>70,524</u>	<u>521,256</u>	<u>5,318</u>	<u>2,115,523</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,288,618</u>	<u>\$ 11,021</u>	<u>\$ 48,162</u>	<u>\$ 489,330</u>	<u>\$ 4,610</u>	<u>\$ 1,841,741</u>

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## **STATISTICAL SECTION**

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## Statistical Section

This part of the Village of Palmetto Bay's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Village's overall financial health.

### **Contents**

**Page**

#### **Financial Trends**

**53-56**

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

#### **Revenue Capacity**

**57-60**

These schedules contain information to help the reader understand and assess the Village's most significant local revenue source, the property tax.

#### **Debt Capacity**

**61-64**

These schedules represent information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

**65**

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Village financial activities take place.

#### **Operating Information**

**66-69**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial reports relates to the services the Village provides and the activities it performs.

**VILLAGE OF PALMETTO BAY**  
**NET POSITION BY COMPONENT**  
*LAST TEN FISCAL YEARS*  
*(ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 33,134,812	\$ 33,124,927	\$ 37,879,325	\$ 41,339,531	\$ 44,025,420	\$ 45,152,296	\$ 44,817,016	\$ 45,342,410	\$ 52,529,176	\$ 57,516,950
Restricted	5,806,975	4,695,709	5,584,081	3,908,588	4,005,311	3,918,829	4,488,645	6,347,105	7,664,442	8,374,274
Unrestricted	15,597,402	16,651,125	13,926,428	15,044,142	11,873,457	11,856,887	16,072,374	24,898,010	23,878,640	22,015,734
Total governmental activities net position	<u>\$ 54,539,189</u>	<u>\$ 54,471,761</u>	<u>\$ 57,389,834</u>	<u>\$ 60,292,261</u>	<u>\$ 59,904,188</u>	<u>\$ 60,928,012</u>	<u>\$ 65,378,035</u>	<u>\$ 76,587,525</u>	<u>\$ 84,072,258</u>	<u>\$ 87,906,958</u>

**VILLAGE OF PALMETTO BAY**  
**STATEMENT OF ACTIVITIES**  
*LAST TEN FISCAL YEARS*  
*(ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 6,571,452	\$ 7,047,743	\$ 5,518,997	\$ 6,339,575	\$ 6,326,017	\$ 6,166,085	\$ 3,728,190	\$ 4,085,013	\$ 6,085,738	\$ 7,100,716
Building permitting	-	-	-	-	-	-	2,142,650	2,270,853	2,191,546	2,007,904
Public safety	6,759,037	7,401,124	7,640,492	8,089,316	8,032,978	7,957,443	6,238,362	2,169,689	10,548,979	10,578,560
Public Assistance	-	-	1,765,431	16,473	439,281	126,225	2,842,585	7,904,546	248,811	383,477
Public Works	978,242	939,841	2,108,425	3,138,825	4,018,596	3,945,055	3,824,476	3,515,910	3,882,950	4,064,527
Parks & Recreation	2,387,359	2,459,021	2,685,465	3,409,247	2,614,193	3,633,125	3,634,326	3,992,141	4,670,872	4,632,911
Interest on long-term debt	734,187	693,749	667,295	711,044	622,416	561,137	461,030	393,468	366,761	338,678
Total governmental activities expenses	\$ 17,430,277	\$ 18,541,478	\$ 20,386,105	\$ 21,704,480	\$ 22,053,481	\$ 22,389,070	\$ 22,871,619	\$ 24,331,620	\$ 27,995,657	\$ 29,106,773
<b>Program Revenue</b>										
Governmental activities:										
Charge for services:										
General Government	\$ 1,791,654	\$ 1,663,744	\$ 2,753,482	\$ 2,352,134	\$ 1,477,058	\$ 3,204,412	\$ 1,802,819	\$ 1,867,161	\$ 3,194,442	\$ 2,902,836
Public Safety	259,831	258,500	160,236	365,105	251,311	164,105	171,873	84,018	404,541	394,089
Public Works	680,536	694,083	1,218,923	711,738	674,453	832,264	857,995	856,630	862,549	826,543
Park & Recreation	841,359	1,039,950	1,039,437	1,089,978	491,876	660,284	1,159,322	1,200,802	1,060,265	1,136,157
Operating Grants and Contributions	2,002,049	1,938,471	2,055,984	2,538,460	2,237,279	711,882	3,231,249	7,971,374	337,418	1,082,745
Capital Grants and Contributions	-	-	1,886,616	3,617,708	1,926,891	649,477	758,832	1,206,643	6,389,370	2,309,568
Total governmental activities programs revenues	\$ 5,575,429	\$ 5,594,748	\$ 9,114,678	\$ 10,675,123	\$ 7,058,868	\$ 6,222,424	\$ 7,982,090	\$ 13,186,628	\$ 12,248,585	\$ 8,651,938
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (11,854,848)	\$ (12,946,730)	\$ (11,271,427)	\$ (11,029,357)	\$ (14,994,613)	\$ (16,166,646)	\$ (14,889,529)	\$ (11,144,992)	\$ (15,747,072)	\$ (20,454,835)
<b>General Revenues and Other changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,967,015	\$ 5,949,675	\$ 6,280,596	\$ 6,311,243	\$ 6,449,589	\$ 6,816,609	\$ 7,812,046	\$ 8,391,363	\$ 9,556,131	\$ 10,435,205
Utility Taxes	2,371,602	2,449,906	2,476,087	2,504,675	2,635,734	2,677,579	2,876,271	3,222,229	3,397,680	3,534,080
Communication Taxes	1,268,751	1,268,588	1,122,791	903,794	857,722	797,714	872,421	869,256	855,658	862,288
Franchise taxes	800,852	599,893	816,239	795,525	927,087	1,222,608	1,991,934	2,238,704	2,151,439	2,205,089
Intergovernmental revenue	2,303,566	2,291,919	2,482,841	2,418,059	2,132,145	4,308,499	5,296,841	5,421,845	5,448,726	5,505,202
Investment income	149,951	163,920	202,985	227,869	167,033	57,478	99,864	794,138	1,238,992	929,326
Impact fees	-	-	-	-	-	806,448	182,298	1,145,314	302,778	385,908
Sale of capital assets	-	-	-	-	-	-	-	45,828	-	-
Miscellaneous	196,672	155,401	807,961	1,333,963	527,798	503,535	207,877	225,805	280,401	432,437
Total governmental activities	\$ 13,058,409	\$ 12,879,302	\$ 14,189,500	\$ 14,495,128	\$ 13,697,108	\$ 17,190,470	\$ 19,339,552	\$ 22,354,482	\$ 23,231,805	\$ 24,289,535
<b>Extraordinary Items</b>										
Adjustment to beginning net position	\$ -	\$ -	\$ -	\$ (544,159)	\$ 890,248	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in Net Position</b>										
Governmental activities	1,203,561	(67,428)	2,918,073	2,921,612	(407,257)	1,023,824	4,450,023	11,209,490	7,484,733	3,834,700
Total Primary Government	\$ 1,203,561	\$ (67,428)	\$ 2,918,073	\$ 2,921,612	\$ (407,257)	\$ 1,023,824	\$ 4,450,023	\$ 11,209,490	\$ 7,484,733	\$ 3,834,700

**VILLAGE OF PALMETTO BAY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
*LAST TEN FISCAL YEARS*  
*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Non-Spendable	\$ 82,883	\$ 82,332	\$ 85,383	\$ 96,067	\$ 448,671	\$ 167,673	\$ 462,239	\$ 639,725	\$ 682,310	\$ 693,180
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
Unassigned	11,442,147	10,638,696	11,017,071	10,570,072	5,562,388	6,057,987	9,614,128	17,745,923	8,118,165	9,330,474
<b>Total General Fund</b>	<b>\$ 11,525,030</b>	<b>\$ 10,721,028</b>	<b>\$ 11,102,454</b>	<b>\$ 10,666,139</b>	<b>\$ 10,711,059</b>	<b>\$ 10,925,660</b>	<b>\$ 14,776,367</b>	<b>\$ 23,085,648</b>	<b>\$ 13,500,475</b>	<b>\$ 14,723,654</b>
All Other Governmental Funds:										
Restricted:										
Special Revenue Funds	\$ 4,903,311	\$ 3,787,024	\$ 4,662,974	\$ 2,967,090	\$ 3,055,047	\$ 3,908,560	\$ 4,488,645	\$ 6,347,105	\$ 7,664,442	\$ 8,374,274
Debt Service Fund	903,664	908,685	921,107	941,498	950,264	10,269	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Committed/Assigned:										
Special Revenue Funds	970,526	1,482,058	447,902	447,276	513,576	459,525	613,771	611,886	591,780	537,492
Capital Projects Funds	4,864,924	6,297,720	4,848,583	3,058,195	2,290,756	1,421,016	1,285,524	2,825,481	10,566,464	7,578,687
Unassigned	-	(91,305)	(1,296,560)	(27,217)	(1,478,194)	(537,563)	(210,163)	(865,341)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 11,642,425</b>	<b>\$ 12,384,182</b>	<b>\$ 9,584,006</b>	<b>\$ 7,386,842</b>	<b>\$ 5,331,449</b>	<b>\$ 5,261,807</b>	<b>\$ 6,177,777</b>	<b>\$ 8,919,131</b>	<b>\$ 18,822,686</b>	<b>\$ 16,490,453</b>
<b>Total All Funds</b>	<b>\$ 23,167,455</b>	<b>\$ 23,105,210</b>	<b>\$ 20,686,460</b>	<b>\$ 18,052,981</b>	<b>\$ 16,042,508</b>	<b>\$ 16,187,467</b>	<b>\$ 20,954,144</b>	<b>\$ 32,004,779</b>	<b>\$ 32,323,161</b>	<b>\$ 31,214,107</b>

**VILLAGE OF PALMETTO BAY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
*LAST TEN FISCAL YEARS*  
*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues:</b>										
Property Taxes	\$ 5,967,015	\$ 5,949,675	\$ 6,280,596	\$ 6,311,243	\$ 6,449,589	\$ 6,816,609	\$ 7,812,046	\$ 8,391,363	\$ 9,556,131	\$ 10,435,205
Utility Taxes	2,371,602	2,449,906	2,476,087	2,504,675	2,635,734	2,677,579	2,567,788	3,530,712	3,397,680	3,534,080
Communication Taxes	1,268,751	1,268,588	1,122,791	903,794	857,722	797,714	872,421	869,256	855,658	862,288
Franchise Fees	800,852	599,893	816,239	795,525	927,087	1,222,608	1,991,934	2,238,704	2,151,439	2,205,089
Intergovernmental	4,305,615	4,230,390	6,425,441	8,574,227	6,296,315	5,669,858	9,286,922	14,599,862	6,774,074	8,897,515
Licenses and permits	1,707,230	1,590,432	2,684,316	2,301,515	1,419,684	3,939,660	1,907,150	2,824,612	3,451,728	3,220,594
Fines and Forfeitures	259,831	258,500	160,236	365,105	251,311	164,105	191,149	225,648	404,541	394,089
Charges for services	1,606,319	1,807,345	2,327,526	1,852,335	1,223,703	1,563,748	2,076,008	2,103,665	1,968,306	2,030,850
Interest	149,951	163,920	202,985	227,869	167,033	57,478	99,864	794,138	1,238,992	929,326
Miscellaneous fees	196,672	155,401	807,961	1,333,963	527,798	445,296	207,877	225,805	280,401	432,437
<b>Total revenues</b>	<b>\$ 18,633,838</b>	<b>\$ 18,474,050</b>	<b>\$ 23,304,178</b>	<b>\$ 25,170,251</b>	<b>\$ 20,755,976</b>	<b>\$ 23,354,655</b>	<b>\$ 27,013,159</b>	<b>\$ 35,803,765</b>	<b>\$ 30,078,950</b>	<b>\$ 32,941,473</b>
<b>Expenditures:</b>										
General Government	\$ 3,621,256	\$ 3,384,761	\$ 3,056,414	\$ 3,127,029	\$ 3,429,864	\$ 3,148,672	\$ 3,484,964	\$ 3,881,298	\$ 5,892,206	\$ 6,840,446
Economic Development	-	-	-	-	-	-	-	-	-	-
Public Safety	8,146,706	9,278,628	7,636,086	8,079,196	8,022,549	7,949,824	6,178,259	2,138,164	10,494,399	10,538,660
Public Assistance	-	-	1,765,431	16,473	439,281	126,225	2,842,585	7,904,546	248,811	383,477
Public works	1,470,397	1,375,596	1,733,355	2,745,584	3,607,160	3,151,674	2,961,417	2,654,692	2,995,495	3,136,199
Building and Permitting	-	-	2,101,149	2,848,634	2,384,968	2,488,061	2,142,003	2,270,531	2,192,856	2,008,237
Parks & Recreation	1,472,640	1,523,791	1,742,948	2,151,271	1,762,901	2,729,793	2,727,335	3,057,960	3,594,590	3,639,114
Capital outlay	1,704,949	1,445,354	6,125,156	6,725,241	3,147,526	1,255,373	1,149,778	1,905,471	3,304,163	6,604,886
Debt service										
Principal Payments	810,577	841,411	895,094	855,099	240,032	2,087,982	347,075	637,503	709,937	560,830
Interest Expense	727,192	686,754	667,295	711,044	622,416	561,137	461,030	393,468	366,761	338,678
Bond Issuance Cost	-	-	-	-	-	163,689	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 17,953,717</b>	<b>\$ 18,536,295</b>	<b>\$ 25,722,928</b>	<b>\$ 27,259,571</b>	<b>\$ 23,656,697</b>	<b>\$ 23,662,430</b>	<b>\$ 22,294,446</b>	<b>\$ 24,843,633</b>	<b>\$ 29,799,218</b>	<b>\$ 34,050,527</b>
Excess of revenues over (under) expenditures	\$ 680,121	\$ (62,245)	\$ (2,418,750)	\$ (2,089,320)	\$ (2,900,721)	\$ (307,775)	\$ 4,718,713	\$ 10,960,132	\$ 279,732	\$ (1,109,054)
<b>Other Financing Sources (Uses):</b>										
Transfer In	\$ 3,200,000	\$ 1,550,000	\$ 1,114,057	\$ 151,285	\$ 650,286	\$ 323,459	\$ 1,219,655	\$ 1,950,000	10,760,488	200,000
Transfer Out	(3,200,000)	(1,550,000)	(1,114,057)	(151,285)	(650,286)	(323,459)	(1,219,655)	(1,950,000)	(10,760,488)	(200,000)
CARES Act	-	-	-	-	153,157	-	-	-	-	-
Refinanced Debt	(1,209,840)	-	-	-	-	(10,299,736)	-	-	-	-
Discount/Issuance Cost on debt issue	(42,308)	-	-	-	-	1,663,652	-	-	-	-
Proceeds from issuance of debt	1,252,148	-	-	-	-	8,815,000	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	68,517	-	-
Proceeds from Leases	-	-	-	-	-	273,818	-	-	-	-
Initiation of Subscription Arrangement	-	-	-	-	-	-	-	21,986	-	-
Initiation of leases (right-of-use asset)	-	-	-	-	-	-	47,964	-	38,650	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 153,157</b>	<b>\$ 452,734</b>	<b>\$ 47,964</b>	<b>\$ 90,503</b>	<b>\$ 38,650</b>	<b>\$ -</b>
<b>Extraordinary Items:</b>										
Adjustment to beginning net position	\$ -	\$ -	\$ -	\$ (544,159)	\$ 890,248	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net change in fund balances</b>	<b>\$ 680,121</b>	<b>\$ (62,245)</b>	<b>\$ (2,418,750)</b>	<b>\$ (2,633,479)</b>	<b>\$ (1,857,316)</b>	<b>\$ 144,959</b>	<b>\$ 4,766,677</b>	<b>\$ 11,050,635</b>	<b>\$ 318,382</b>	<b>\$ (1,109,054)</b>
Debt services as a percentage of noncapital expenditures	9.4639%	8.9414%	7.9723%	7.6269%	4.2052%	11.8227%	3.8218%	4.4946%	4.0638%	3.2774%

**VILLAGE OF PALMETTO BAY**  
**NET ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
*LAST TEN FISCAL YEARS*  
*(DOLLARS EXPRESSED IN THOUSANDS)*

Fiscal Year	Real Property		Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total <sup>1</sup> Direct Tax Rate	Estimated <sup>2</sup> Actual Value	Assessed Value as a % of Actual Value
	Residential	Commercial						
2016	\$ 3,044,310	\$ 489,506	\$ 78,598	\$ 1,061,101	\$ 2,551,313	2.4470	\$ 3,788,921	67.34%
2017	3,327,991	526,672	80,748	1,275,694	2,659,717	3.3292	4,118,692	64.58%
2018	3,511,675	579,694	79,439	1,361,809	2,808,999	2.3292	4,358,279	64.45%
2019	3,555,946	834,994	81,027	1,541,254	2,930,713	2.2387	4,471,967	65.54%
2020	3,553,811	902,682	80,616	1,483,458	3,053,651	2.2000	4,537,109	67.30%
2021	3,520,608	1,017,756	82,259	1,421,062	3,199,562	2.2350	4,620,624	69.25%
2022	3,812,779	1,082,494	88,730	1,617,023	3,366,980	2.4000	4,984,003	67.56%
2023	4,875,694	1,226,017	88,731	2,476,068	3,714,374	2.3500	6,190,442	60.00%
2024	5,859,481	1,519,375	99,013	3,305,853	4,172,017	2.3500	7,477,870	55.79%
2025	6,843,853	1,595,918	105,592	3,976,494	4,568,870	2.3500	8,545,364	53.47%

Information obtained from Miami-Dade County Department of Property Appraisal.

N/A - Information not available

1: Tax rates are per \$1,000 of assessed value.

2: Includes tax-exempt property.

Assessment Roll Change

<https://www.miamidadepa.gov/resources-pa/library/reports/certification/2025-taxing-authorities-report.pdf>

**VILLAGE OF PALMETTO BAY**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Village of Palmetto Bay Direct Rates</b>		<b>Overlapping Rates</b>			<b>Special District Millage</b>	<b>Total Millage</b>
	<b>Basic Rate</b>	<b>Total Direct</b>	<b>School District</b>	<b>State Rate</b>	<b>Miami-Dade County</b>		
2016	2.4470	2.4470	7.6120	0.3871	5.1169	3.2133	18.7763
2017	2.3292	2.3292	7.3220	0.3627	5.0669	3.2122	18.2930
2018	2.3292	2.3292	6.9940	0.3420	5.0669	3.1795	17.9116
2019	2.2387	2.2387	6.7330	0.3256	5.1313	3.1462	17.5748
2020	2.2000	2.2000	7.1480	0.3115	5.1449	3.1727	17.9771
2021	2.2350	2.2350	7.1290	0.2995	5.1449	3.1554	17.9638
2022	2.4000	2.4000	7.0090	0.2892	4.6669	3.7122	18.0773
2023	2.3500	2.3500	6.5890	0.2621	4.6202	3.6630	17.4843
2024	2.3500	2.3500	6.6990	0.2589	4.5740	3.6132	17.4951
2025	2.3500	2.3500	6.6020	0.2589	4.5740	3.6048	17.3897

Information Obtained from Miami-Dade County Department of Property Appraisal

2025 Adopted Millage Rate

**VILLAGE OF PALMETTO BAY**  
**PRINCIPAL PROPERTY TAX PAYERS**

*Current Year and Nine Years Ago*

Taxpayer	2025				2016			
	Type of Business	Taxable Value	Rank	Percentage of Total Village Taxable Value	Type of Business	Taxable Value	Rank	Percentage of Total Village Taxable Value
FCI Palmetto Bay LLC	Multi Family	\$ 65,600,000	1	1.38%				
Orion Colonial Plaza LLC	Retail Outlet	60,440,000	2	1.27%	Retail Outlet	\$ 23,330,960	3	0.94%
Palmetto Venture Partners LLC	Multi Family	59,175,000	3	1.24%				
US Dept of Agriculture	Government	54,317,210	4	1.14%				
Westdale Bay Village	Retail Outlet	49,925,000	5	1.05%				
South Motor Company of Dade Co	Automotive	45,900,000	6	0.96%	Automotive	8,200,000	8	0.33%
EYP South Dade LLC (Previously Brandsmart USA)	Retail Outlet	41,470,000	7	0.87%	Retail Outlet	25,600,000	1	1.03%
17777 Old Cutler Rd LLC	Office Building	32,593,506	8	0.68%	Office Building	24,623,500	2	0.99%
H Greg Nissan Kendall LLC	Automotive	26,557,808	9	0.56%	Automotive	14,600,000	4	0.59%
Publix Super Markets Inc	Retail Outlet	18,634,000	10	0.39%	Retail Outlet	11,062,729	5	0.44%
Fla Power & Light					Utility			0.00%
Equity One Inc.					Retail Outlet	8,921,944	6	0.36%
17475 LLC					Healthcare	8,763,021	7	0.35%
Gus Machado Kendall LLC					Automotive	7,818,749	9	0.31%
Kings Bay Shopping Center					Retail Outlet	7,151,192	10	0.29%
Total		<u>\$ 454,612,524</u>		<u>9.54%</u>		<u>\$ 140,072,095</u>		<u>4.69%</u>
<b>Total Taxable Value</b>		\$ 4,765,853,356				\$ 2,487,696,292		

Source: Miami-Dade tax assessor's office.

<https://county-taxes.net/fl-miamidade/reports>  
Public-2025 Roll Data All

**VILLAGE OF PALMETTO BAY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Total Tax Levy<sup>1</sup></b>	<b>Current Tax Collections<sup>2</sup></b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections<sup>2</sup></b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collection to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes<sup>3</sup></b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
2016	\$ 6,243,063	\$ 5,864,698	93.9	\$ 102,317	\$ 5,967,015	95.6	\$ 668,042	10.7
2017	6,195,014	5,794,653	93.5	154,179	5,948,832	96.0	723,080	11.7
2018	6,542,719	6,123,394	93.6	157,202	6,280,596	96.0	587,301	9.0
2019	6,560,986	6,169,601	94.0	141,642	6,311,243	96.2	133,210	2.0
2020	6,718,032	6,271,130	93.3	178,459	6,449,589	96.0	405,418	6.0
2021	7,151,021	6,685,657	93.5	130,952	6,816,609	95.3	769,262	10.8
2022	8,080,753	7,678,522	95.0	132,923	7,811,445	96.7	580,970	7.2
2023	8,914,498	8,262,520	92.7	121,151	8,383,671	94.0	159,660	1.8
2024	9,804,241	9,366,193	95.5	189,938	9,556,131	97.5	674,863	6.9
2025	10,736,844	10,142,595	94.5	292,610	10,435,205	97.2	993,819	9.3

- 1: Information taken from Certification of Taxable Value.
- 2: Information obtained from Village of Palmetto Bay's financial statements.
- 3: Information obtained from Miami-Dade County Tax Collector confirmation.

<https://county-taxes.net/fl-miamidade/reports>

Report: Public-R/E Delinq List

**VILLAGE OF PALMETTO BAY**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Special Revenue Bonds</b>	<b>Financed Purchases</b>	<b>Leases (Right-of-use asset)</b>	<b>Subscription Arrangements</b>	<b>Liabilities to Miami-Dade<sup>1</sup></b>	<b>Total</b>	<b>Percentage of Personal Income<sup>3</sup></b>	<b>Per Capita<sup>2</sup></b>
2016	\$ 14,907,496	\$ -	\$ -	\$ -	\$ 2,483,513	\$ 17,391,009	1.63	732
2017	14,270,687	-	-	-	2,280,886	16,551,573	1.52	694
2018	13,609,539	-	-	-	2,048,916	15,658,455	1.27	653
2019	12,923,289	-	-	-	1,882,042	14,805,331	1.16	613
2020	12,477,757	-	-	-	1,642,010	14,119,767	1.09	585
2021	11,284,492	166,174	-	-	1,391,162	12,841,828	0.88	528
2022	10,839,745	124,068	41,649	-	926,475	11,931,937	0.67	480
2023	10,335,756	81,962	35,189	12,281	704,429	11,169,617	0.63	449
2024	9,817,149	39,856	60,790	1,917	422,493	10,342,205	0.58	423
2025	9,279,479	469	46,301	-	348,502	9,674,751	0.54	384

Note: Details regarding the Village's outstanding debt can be found in Note 6 of the financial statements.

Note: The Village has no General Obligation Bonds.

1: The Village of Palmetto Bay was allocated a portion of Miami-Dade's Stormwater (as of 2007) and Quality Neighborhood Improvement (as of 2003) bonds as part of incorporation.

2: See the page 67 for Demographic and Economic Statistics.

3: See page 67 for Personal Income

N/A - Information not available

**VILLAGE OF PALMETTO BAY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
*AS OF SEPTEMBER 30, 2025*

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to Village of Palmetto Bay<sup>1</sup></u>	<u>Amount Applicable to Village of Palmetto Bay</u>	<u>Amount Per Capita Village of Palmetto Bay<sup>1</sup></u>
<b>County Debt</b>				
Miami-Dade County <sup>2</sup>	\$ 5,192,819,000	0.89%	\$ 46,216,089	\$ 1,844
School Board <sup>3</sup>	1,054,121,000	0.89%	9,381,677	374
Total Overlapping Debt	<u>\$ 6,246,940,000</u>		<u>\$ 55,597,766</u>	<u>\$ 2,218</u>
Contractual Debt <sup>4</sup>	\$ 348,502	100.00%	\$ 348,502	\$ 14
Financed Purchases	469	100.00%	469	-
Leases (Right-of-use asset)	46,301	100.00%	46,301	2
Village Direct Debt	9,279,479	100.00%	9,279,479	368
Total Village Debt	<u>\$ 9,674,751</u>		<u>\$ 9,674,751</u>	<u>\$ 384</u>
Total Direct and Overlapping Debt	<u>\$ 6,256,614,751</u>		<u>\$ 65,272,517</u>	<u>\$ 2,602</u>

1: Based upon population; information obtained from Bureau of Economic and Business Research, as of April 2025; Village of Palmetto Bay - 25,217 and Miami-Dade County - 2,818,927

2: Information obtained from Miami-Dade County, September 30, 2024 ACFR.

3: Information obtain from Miami-Dade School Board, June 30, 2024 ACFR. \*2025 has not been released yet\*

4. Debt issued by Miami-Dade county but a proportionate share was agreed to be paid by the Village as part of incorporation. See Note 6.

**VILLAGE OF PALMETTO BAY**  
**LEGAL DEBT SERVICE MARGIN INFORMATION**  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Legal Debt Service Margin Calculation</b>										
Total General Fund Revenues <sup>1</sup>	\$ 18,633,838	\$ 18,474,050	\$ 23,305,809	\$ 25,170,251	\$ 20,755,976	\$ 23,354,655	\$ 27,013,159	\$ 35,803,765	\$ 30,078,950	#####
Debt Service Limit (20% of General Fund Revenues) <sup>2</sup>	3,697,593	3,710,789	4,177,986	4,847,606	4,592,623	4,411,063	5,036,781	6,281,692	6,588,272	6,302,042
Debt Service applicable to limit	<u>1,537,769</u>	<u>1,528,165</u>	<u>1,562,389</u>	<u>1,566,143</u>	<u>862,448</u>	<u>2,812,808</u>	<u>808,105</u>	<u>1,030,971</u>	<u>1,076,698</u>	<u>899,508</u>
Legal debt service margin	<u>\$ 2,159,824</u>	<u>\$ 2,182,624</u>	<u>\$ 2,615,597</u>	<u>\$ 3,281,463</u>	<u>\$ 3,730,175</u>	<u>\$ 1,598,255</u>	<u>\$ 4,228,676</u>	<u>\$ 5,250,721</u>	<u>\$ 5,511,574</u>	<u>\$ 5,402,534</u>
Total debt service applicable to the limit as a percentage of debt service limit	41.59%	41.18%	37.40%	32.31%	18.78%	63.77%	16.04%	16.41%	16.34%	14.27%

1: General Fund Revenues is defined as revenues from General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds exclusive of (i) ad valorem revenues restricted to payment of debt service on any debt and (ii) any debt proceeds, and based on the Village's audited financial statements (average of actual receipts of the prior two years).

2: The Village of Palmetto Bay is required by debt covenants not to exceed 20% of General Fund Revenues

**VILLAGE OF PALMETTO BAY**  
**PLEDGED-REVENUE COVERAGE**  
*LAST TEN FISCAL YEARS*

Fiscal Year	Library Bonds					Special Revenue Bonds				
	Rent <sup>1</sup> Revenue	Debt Service Requirements			Coverage	Non-Ad Valorem Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total			Principal	Interest	Total	
2016	\$ 108,981	\$ 69,276 (2)	\$ 32,299	\$ 101,575	1.07	\$ 8,155,563	\$ 320,000	\$ 581,493	\$ 901,493	9.05
2017	108,981	72,267	27,904	100,171	1.09	8,341,768	330,000	568,462	898,462	9.28
2018	108,981	72,246	26,199	98,445	1.11	8,432,621	353,729	557,394	911,123	9.26
2019	108,981	77,618	24,495	102,113	1.07	8,714,563	355,000	543,688	898,688	9.70
2020	108,891	77,507	22,664	100,171	1.09	8,067,753	370,000	533,139	903,139	8.93
2021	108,891	77,394	20,835	98,229	1.11	8,667,069	385,000	475,947	860,947	10.07
2022	108,891	82,186	19,010	101,196	1.08	10,307,356	275,000	378,402	653,402	15.77
2023	108,891	81,428	17,071	98,499	1.11	11,836,292	335,000	317,400	652,400	18.14
2024	108,981	86,046	16,111	102,157	1.07	12,273,633	345,000	297,100	642,100	19.11
2025	108,981	85,110	12,116	97,226	1.12	13,116,858	365,000	282,900	647,900	20.25

1: The Village has a contract with the County to rent the facility for the life of the lease

2: The Village refinanced the debt see Note 6.

**VILLAGE OF PALMETTO BAY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Income<sup>2</sup></b>	<b>Median Age<sup>2</sup></b>	<b>School Enrollment<sup>4</sup></b>	<b>Public School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>2</sup></b>
2016	23,767	1,067,043,232	44,896	41.8	7,552	3,617	6.8%
2017	23,843	1,091,341,796	45,772	40.8	7,680	3,376	7.7%
2018	23,962	1,232,916,786	51,453	41.1	7,366	2,528	4.8%
2019	24,138	1,277,141,580	52,910	41.5	7,401	3,166	6.5%
2020	24,144	1,297,643,424	53,746	40.4	7,023	3,281	6.5%
2021	24,341	1,463,405,261	60,121	41.8	6,962	N/A <sup>5</sup>	5.2%
2022	24,870	1,778,055,780	71,494	41.6	6,733	1,984	3.6%
2023	24,499	1,729,212,917	70,583	41.6	6,720	5,325	3.4%
2024	24,439	1,718,379,407	70,313	41	6,509	5,227	2.7%
2025	25,217	N/A	N/A	N/A	N/A	5,233	N/A

N/A Information not available for year indicated.

1: Population for Village of Palmetto Bay obtained from Bureau of Economic and Business Research, University of Florida.

2: Amounts obtained from the U.S. Census Bureau.

3: Enrollment numbers obtained from Miami-Dade Public Schools. <http://oada.dadeschools.net/StudentMembership/Membership.asp>

4: Information obtained from U.S. Census Bureau. Enrollment is for population 3 years and over enrolled in school.

5: Accurate figures are not available due to COVID.

**VILLAGE OF PALMETTO BAY**  
**PRINCIPAL EMPLOYERS**  
*CURRENT YEAR AND NINE YEARS AGO*

<b>Industries</b>	<b>2024<sup>2</sup></b>			<b>2015</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Population<sup>1</sup></b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Population<sup>1</sup></b>
Professional, Scientific, & Technical Services	1,816	1	7.30%	1,546	1	6.50%
Health Care & Social Assistance	1,535	2	6.17%	1,497	2	6.29%
Retail Trade	1,505	3	6.05%	1,102	4	4.63%
Educational Services	1,225	4	4.93%	1,461	3	6.14%
Construction	864	5	3.47%	591	8	2.48%
Manufacturing	736	6	2.96%	406	10	1.71%
Finance & Insurance	733	7	2.95%	818	6	3.44%
Accommodation & Food Services	649	8	2.61%	855	5	3.59%
Public Administration	646	9	2.60%	708	7	2.98%
Transportation & Warehousing	542	10	2.18%	331		1.39%
Wholesale Trade	393		1.58%	493	9	2.07%
	10,644		42.80%	9,808		41.22%

1: Population information available on page 67 Demographic and Economic statistics.

2: Latest Information Obtained is for 2024

Source: <https://datausa.io/profile/geo/palmetto-bay-fl/#economy>

**VILLAGE OF PALMETTO BAY**  
**EMPLOYEES BY FUNCTION/PROGRAMS**  
*LAST TEN FISCAL YEARS*

	2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Village Manager	6	-	6	-	6	-	6	-	5	-	4	-	4	-	4	-	3	-	3	-
Village Clerk	2	-	2	-	2	-	3	-	3	-	3	-	4	-	4	-	4	-	4	-
Village Attorney	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-	1	-	1	-
Human Resources	4	2	4	1	4	-	4	-	4	1	4	1	6	1	6	-	5	2	5	2
Finance	6	-	6	-	6	-	6	1	7	-	7	-	6	1	6	-	6	-	6	-
Planning and Zoning	2	-	2	-	3	-	3	-	3	-	2	-	3	-	7	-	7	-	6	-
Building and Permitting	13	-	13	-	13	-	13	-	13	-	13	-	14	-	13	-	5	-	5	1
Parks & Recreation	8	23	8	23	8	23	8	24	7	23	11	25	16	19	16	19	16	19	16	19
Public Work	18	7	17	6	18	7	19	6	28	-	14	-	16	-	17	-	16	-	15	-
Information Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-
<b>Total Employees</b>	<b>59</b>	<b>32</b>	<b>58</b>	<b>30</b>	<b>60</b>	<b>30</b>	<b>62</b>	<b>31</b>	<b>70</b>	<b>24</b>	<b>59</b>	<b>26</b>	<b>70</b>	<b>21</b>	<b>74</b>	<b>19</b>	<b>65</b>	<b>21</b>	<b>63</b>	<b>22</b>

FT - Full Time

PT - Part Time

NOTE: Information obtained from Village of Palmetto Bay Human Resources

**VILLAGE OF PALMETTO BAY**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Targeted Crimes <sup>1</sup>	313	295	258	206	156					
Homicide						-	1	-	-	-
Sex Offenses						5	2	2	1	4
Robbery						11	5	9	10	6
Larceny						56	47	49	45	311
Auto Theft						37	26	31	32	19
Burglary						31	30	32	25	22
Aggravated Assault/Battery						22	20	17	11	12
False Alarms	1,689	1,470	1,237	1,256	1,011	930	864	698	514	701
Culture and Recreation										
Tennis Court Rentals	5,898	6,595	5,972	7,709	6,909	9,099	9,875	7,761	6593	5957
Wedding Rentals	240	145	101	89	21	23	37	71	34	54
Park rentals	992	817	632	468	331	177	486	469	291	437
Summer Camp Registrants	1,346	1,337	1,254	1,371	112	85	511	328	336	180
Planning & Zoning										
Code Violation	734	377	1,040	1,002	826	1,076	1,124	801	934	500
Zoning Hearing Applications	8	19	7	12	15	8	8	11	10	5
Building Permits										
Residential	4,158	3,747	4,434	3,727	1,167	3,960	3,523	3,086	2618	2745
Commercial	593	616	671	565	131	730	468	461	350	450
Inspections	345	329	776	954	954	1822	2,957	13,965	12491	10900
Manager/Clerk										
Ordinances	25	21	15	24	18	23	10	26	8	15
Resolutions	133	127	118	165	123	120	106	106	35	74
Public Works										
Transit Passengers	5,941	5,276	7,109	16,589	9,246	N/A	11,151	13,030	17134	17046
Roads Resurfaced (miles)	3	2.41	0	2	2	2	3.55	0.00	0.23	1.24
Finance										
Journal Entries <sup>2</sup>	747	764	722	789	791	816	808	733	799	741
Deposits	1,233	1,135	1,204	1,229	1,185	1,355	1,349	1,336	1615	1668
Checks	2,725	2,531	2,375	2,618	2,471	2,338	2,647	2,448	2327	2744

1: Targeted Crimes new format as of 2021

NOTE: Information obtained from Village of Palmetto Bay department records

N/A Information not available

2: 669 Journal Entries from EDEN and 72 entries from ERRP that belongs to FY 2025

**VILLAGE OF PALMETTO BAY**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Municipal Center	1	1	1	1	1	1	1	1	1	1
Police										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	46	46	44	46	46	46	47	49	49	49
Public Works										
Streets (miles)	122	125	125	125	125	125	125	125	125	125
Traffic signals	29	28	28	28	28	28	28	28	28	28
Traffic Circles	2	3	3	3	4	4	4	4	4	4
Park and Recreation										
Acreage	82	82	82	82	82	82	82	82	82	82
Parks	5	5	5	5	5	5	5	5	5	5
Playgrounds	2	2	2	2	2	2	2	2	2	2
Tennis court	8	8	8	8	8	8	8	8	8	8
Racquetball courts	4	4	4	4	4	4	4	4	4	4
Basketball courts	2	2	2	2	2	2	2	2	2	2
Football fields	2	2	2	2	2	2	2	2	2	2
Baseball fields	5	5	5	5	5	5	5	5	5	5
Pickleball	-	-	-	-	-	-	2	2	2	2
Softball fields	6	6	6	6	6	6	6	6	6	6
Community centers	3	3	3	3	3	3	3	3	3	3
Skate parks	1	1	1	1	1	1	1	1	1	1
Dog Park	1	1	1	1	1	1	1	1	1	1

NOTE: Information obtained from Village of Palmetto Bay department records.

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# **COMPLIANCE REPORTS**

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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor, Village Council, and Village Manager  
**Village of Palmetto Bay, Florida**

We have audited, in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Palmetto Bay, Florida (the “Village”) as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated March 27, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Village’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***CBIZ CPAs P.C.***

Miami, Florida  
March 27, 2026

**Independent Auditors' Report on Compliance for the Major State Project and  
Report on Internal Control over Compliance Required by  
Chapter 10.550, Rules of the Auditor General**

To the Honorable Mayor, Village Council, and Village Manager  
**Village of Palmetto Bay, Florida**

### **Report on Compliance for the Major State Project**

#### ***Opinion on the Major State Project***

We have audited Village of Palmetto Bay, Florida (the "Village")'s compliance with the types of compliance requirements identified as subject to audit in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the Village's major state project for the fiscal year ended September 30, 2025. The Village's major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect the major state project for the fiscal year ended September 30, 2025.

#### ***Basis for Opinion on the Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Chapter 10.550, Rules of the Auditor General (Chapter 10.550). Our responsibilities under those standards and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state project. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's state projects.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses and significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, Florida  
March 27, 2026

**VILLAGE OF PALMETTO BAY, FLORIDA**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

<b>State Agency, Pass-through Entity State Program</b>	<b>CSFA No.</b>	<b>Contract/ Grant No.</b>	<b>Total Expenditures</b>
<b><u>Florida Department of Environmental Protection</u></b>			
Direct Programs:			
Florida Recreation Development Assistance Program	37.017	A3023	\$ 22,432
Resilient Florida Program	37.098	23PLN85	100,345
Statewide Water Quality Restoration Projects	37.039	LPA0359	1,380,841
Statewide Water Quality Restoration Projects	37.039	LPA0608	<u>961,791</u>
Total Statewide Water Quality Restoration Projects			<u>2,342,632</u>
<b>Total Florida Department of Environmental Protection</b>			<u>2,465,409</u>
<b>Total of Expenditures of State Financial Assistance</b>			<u>\$ 2,465,409</u>

Notes: No amounts provided to subrecipients.

*See notes to schedule of expenditures of state financial assistance.*

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) presents the expenditures activity of all state awards of the Village of Palmetto Bay, Florida (the “Village”) for the fiscal year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Non-compliance material to financial statements noted?  Yes  No

**State Projects**

Internal control over the major state project:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditors’ report issued on compliance for the major state project: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?  Yes  No

**Identification of Major State Project:**

<u>CSFA</u>	<u>State Project:</u>
37.039	Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B state projects: \$739,623

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – STATE ASSISTANCE FINDINGS AND QUESTIONED COSTS**

None.

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

**II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**Management Letter In Accordance With The Rules of The  
Auditor General of The State of Florida**

To the Honorable Mayor, Village Council and Village Manager  
**Village of Palmetto Bay, Florida**

***Report on the Financial Statements***

We have audited the financial statements of the Village of Palmetto Bay, Florida (the “Village”), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 27, 2026.

***Auditors’ Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for the Major State Project and Report on Internal Control over Compliance Required by Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated March 27, 2026, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the prior year that required corrective actions.

***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the financial statements.

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The financial condition assessment was performed as of fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### ***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Village's geographical boundaries during the fiscal year under audit. There was a PACE Program operating within the Village's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, the below is a list of all program administrators and third-party administrators that administered the program.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, the full names and contact information of each such program administrator and third-party administrator are provided below.

Type of Administrator	Entity Name	Contact Information		
		Name	Title	Email/Phone No.
Third Party	Ygrene Energy Fund Florida LLC	Mark Scheffel	VP Gov't Affairs	<a href="mailto:mark.scheffel@ygrene.com">mark.scheffel@ygrene.com</a> 303-523-3497
Program	Florida Green Finance Authority	James Candela	District Manager	<a href="mailto:jcandela@sdsinc.org">jcandela@sdsinc.org</a> 561-530-4922

### ***Special District Component Units***

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate failure a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component unit that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statute.

### ***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor, Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

***CBIZ CPAs P.C.***

Miami, Florida  
March 27, 2026



CBIZ CPAs P.C.

One Southeast Third Avenue  
Suite 1100  
Miami, FL 33131

P: 305.995.9600

**Independent Accountants' Report on Compliance**  
**Pursuant to Section 218.415, Florida Statutes**

To the Honorable Mayor, Village Council and Village Manager  
**Village of Palmetto Bay, Florida**

We have examined the Village of Palmetto Bay, Florida (the "Village") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2025. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2025.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, Florida  
March 27, 2026



**AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Desmond Chin who being duly sworn, deposes and says on oath that:

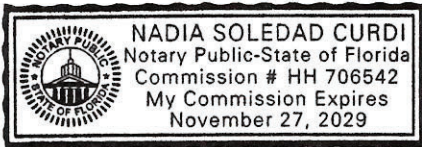
1. I am the Chief Financial Officer of Village of Palmetto Bay which is a local governmental entity of the State of Florida;
2. The governing body of Village of Palmetto Bay adopted (Ordinance No. 2016-02 and 2018-14 or Resolution No. 2003-59) implementing an impact fee or authorized Village of Palmetto Bay to receive and expend proceeds of an impact fee implemented by Miami Dade County; and
3. Village of Palmetto Bay has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

\_\_\_\_\_  
Desmond Chin, Finance Director  
Village of Palmetto Bay

STATE OF FLORIDA  
COUNTY OF MIAMI DADE

SWORN TO AND SUBSCRIBED before me this 10<sup>th</sup> day of March, 2020.



\_\_\_\_\_  
NOTARY PUBLIC  
Print Name Nadia Soledad Curdi

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

11/27/2029